



12.3.11/6
12-12-06



Industrial Container Services – WA, LLC
7152 1st Avenue South
Seattle, Washington 98108
Tel: (206) 763-2345
Fax: (206) 763-2699

Attn: ECL-111
Ms. Claire Hong
Remedial Project Manager
Environmental Cleanup Office
USEPA Region 10
1200 Sixth Avenue
Seattle, Washington 98101

Subject: Notice of Potential Liability Pursuant to Section 107(a) and Request for Information Pursuant to Section 104(e) of CERCLA, for the Lower Duwamish Waterway Superfund Site; Seattle, Washington

Dear Ms. Hong:

Please find attached the response requested in the subject notice letter dated October 10, 2006 from Daniel Opalski.

Sincerely,

Rick Cabuco

cc:

1. Respondent Information

- a. Provide the full legal name and mailing address of the Respondent.**
Industrial Container Services – WA, LLC
7152 1st Avenue South;
Seattle, Washington 98108
- b. For each person answering these questions on behalf of Respondent, provide:**
- i. full name: Anthony Rick Cabuco
 - ii. title: Facility General Manager
 - iii. business address: 7152 1st Avenue South; Seattle, WA 98108
 - iv. business telephone and fax: phone (206) 763-2345; fax (206) 763-2699
- c. If Respondent wishes to designate an individual for all future correspondence concerning this Site, please indicate here by providing that individual's name, address, telephone number, and fax number.**
Same as response to item 1b
- d. State the dates during which Respondent held any property interests at or within one-half mile of the above mentioned address.**
None
- e. State the dates during which Respondent conducted any business activity at or within one-half mile of the above mentioned address.**
None
- f. Describe the nature of Respondent's business activities at the above mentioned address or within one-half mile of that address.**
Operator of drum reconditioning business from February 25, 2002 to present.
- g. In relation to your answer to the previous question, identify all materials used or created by your activities at the above mentioned address, including raw materials, commercial products, building debris, and other wastes.**
Process materials used are paints, sodium hydroxide, hydrochloric acid, sulfuric acid, sodium metasilicate, sodium nitrite, ferric chloride, acetone and toluene.
Wastes generated are furnace ash, water treatment solids, and spent steel shot.
- h. If Respondent, its parent corporation, subsidiaries or other related or associated companies have filed for bankruptcy, provide:**
No bankruptcy filings

2. **Site Activities and Interests**

- a. **Provide all documents in your possession regarding the ownership or environmental conditions of the property mentioned above, including, but not limited to copies of deeds, sales contracts, leases, blueprints, "as-builts" and photographs.**

See Attachment 1: Property Lease

- b. **Provide information on the condition of the property when purchased; describe the source, volume, and content of any fill material used during the construction of the buildings, including waterside structures such as seawalls, wharves, docks, or marine ways.**

Respondent does not own the property. When Respondent began operation of the facility the condition of the property was same as current. Respondent has no knowledge of fill materials used during construction.

- c. **Provide a brief summary of the activities conducted at the site while under Respondent's ownership or operation. Include process diagrams or flow charts of the industrial activities conducted at the site.**

Respondent operation of the site has included reconditioning of steel drums, plastic drums and intermediate bulk containers.

See Attachment 2: Process Flow Diagram

- d. **Provide all documents pertaining to sale, transfer, delivery, disposal, of any hazardous substances, scrap materials and/or recyclable materials to this property.**

As stated in item 1g, process materials used are paints, sodium hydroxide, hydrochloric acid, sulfuric acid, sodium metasilicate, sodium nitrite, ferric chloride, acetone and toluene. Respondent feels that this request is overly broad and burdensome.

- e. **Provide all information on electrical equipment used at the facility, including transformers or other electrical equipment that may have contained polychlorinated biphenols (PCBs).**

Respondent is not aware of any equipment containing PCBs onsite.

- f. **Provide information on the type(s) of oils or fluids used for lubrication of machinery or other industrial purposes, and any other chemicals or products which are or may contain hazardous substances which are or were used at the facility for facility operations.**

Process materials used are paints, sodium hydroxide, hydrochloric acid, sulfuric acid, sodium metasilicate, sodium nitrite, ferric chloride, acetone and

toluene. Motor oil and antifreeze are used on site for vehicle maintenance; hydraulic oil and lubricating grease are used for equipment maintenance.

- g. **Provide any site drainage descriptions, plans or maps that include information about storm drainage which includes, but is not limited to, above or below surface piping, ditches, catch basins, manholes, and treatment/detention or related structures including outfalls. If available, also include information about connections to sanitary sewer.**

With respect to past site activities, please provide copies of any stormwater or drainage studies, including data from sampling, conducted at these properties. Also provide copies of any Stormwater Pollution Prevention or Maintenance Plans or Spill Plans that may have been developed for different operations during the Respondent's occupation of the property.

See Attachment 3: Wastewater Pretreatment Permit

See Attachment 4: Contingency Plan

3. Information About Others

- a. **Describe any business relationship you may have had with Herman and Jacqueline Trotsky, Northwest Cooperage Co., Knik Construction, George Mitzel & Co., and Pacific Drum Co. regarding this property or operations thereon.**

Respondent leases property from Herman and Jacqueline Trotsky

- b. **Describe any business relationship you may have had with the Consolidated Drum Reconditioning Co.; Palex; IFCO regarding this property or operations thereon.**

Respondent purchased assets in February 25, 2002 from IFCO ICS – Washington, Inc.

- c. **Provide the names and last known address of any tenants or sublessees, the dates of their tenancy and a brief description of the activities they conducted while operating on the above mentioned site.**

Since February 25, 2002, Respondent has been the sole tenant at the site. Prior to February 25, 2002, sole tenant was IFCO ICS – Washington, Inc.; no current address available for this corporation.

- d. **If not already provided, identify and provide a last known address or phone number for all persons, including Respondent's current and former employees or agents, other than attorneys, who have knowledge or information about the generation, use, purchase, storage, disposal,**

placement, or other handling of hazardous materials at, or transportation of hazardous materials to or from, the Site.

Jim Funderburg – Industrial Container Services – WA, LLC (see address above)

Curtis Ralph – Industrial Container Services – WA, LLC (see address above)

Bob Miller – Industrial Container Services – WA, LLC (see address above)

4. Financial Information

- a. Provide true and complete copies of all federal income tax documents, including all supporting schedules, for 2001, 2002, 2003, 2004 and 2005. Provide the federal Tax Identification Number and, if documentation is not available, explain why in detail.

Federal Identification Number:

Respondent does not have records requested.

*This FEIN
doesn't match anything
in Auto Tray
2/23/07*

- b. Provide the Respondent's financial interest in, control, or that the Respondent is beneficiary of any assets (in the U.S. or in another country) that has not been identified in your federal tax returns or other financial information to be presented to EPA. If there are such assets, please identify each asset by type of asset, estimated value and location.

Assets consist of plant machinery and equipment, 7 tractors and approximately 100 trailers. All assets are located at 7152 1st Avenue South; Seattle, Washington 98108.

- c. If Respondent is, or was at any time, a subsidiary of, otherwise owned or controlled by or otherwise affiliated with another corporation or entity, then describe the full nature of each such corporate relationship, including but not limited to:
- a general statement of the nature of relationship, indicating whether or not the affiliated entity had, or exercised, any degree of control over the daily operations or decision-making of the Respondent's business operations at the Site;
Respondent is a limited liability corporation; 100% of membership interest is owned by Industrial Container Services, LLC. Daily operations, decision-making and control of facility are conducted by Respondent.
 - the dates such relationship existed;
February 25, 2002 through present.
 - the percentage of ownership of Respondent that is held by such other entity(ies);

100% of membership interest is owned by Industrial Container Services, LLC.

- iv. **for each such affiliated entity provide the names and complete addresses of its parent, subsidiary and otherwise affiliated entities, as well as the names and addresses of each such affiliated entity's officers, directors, partners, trustees, beneficiaries, and/or shareholders owning more than five percent of that affiliated entity's stock;**

100% of membership interest in Industrial Container Services, LLC is owned by ICS Holding Corp.

- v. **provide any and all insurance policies for such affiliated entity(ies) which may possibly cover the liabilities of the Respondent at the Site; and**

See Attachment 5: Pollution Liability Insurance Policy

- vi. **provide any and all corporate financial information of such affiliated entities, including but not limited to total revenue or total sales, net income, depreciation, total assets and total current assets, total liabilities and total current liabilities, net working capital (or net current assets), and net worth.**

Respondent does not have the information requested.

5. Insurance Coverage

- a. **Provide copies of all property, casualty and/or liability insurance policies, and any other insurance contracts referencing the site or facility and/or Respondent's business operations (including, but not limited to, Comprehensive General Liability, Environmental Impairment Liability, Pollution Legal Liability, Cleanup Cost Cap or Stop Loss Policies). Include, without limitation, all primary, excess, and umbrella policies which could be applicable to costs of environmental investigation and/or cleanup, and include the years such policies were in effect.**

See Attachment 5: Pollution Liability Insurance Policy

- b. **If there are any such policies from questions a & b above of which existed, but for which copies are not available, identify each such policy by providing as much of the following information as possible:**

- i. **the name and address of each insurer and of the insured;**
- ii. **the type of policy and policy numbers;**
- iii. **the per occurrence policy limits of each policy; and**
- iv. **the effective dates for each policy**

See Attachment 5: Pollution Liability Insurance Policy

- c. **Identify all insurance brokers or agents who placed insurance for the Respondent at any time during the period being investigated, as identified at the beginning of this request, and identify the time period during which such broker or agent acted in this regard.**
Anthony Lehn, Arthur J. Gallagher Risk Management Services, Inc.
- d. **Identify all communication and provide all documents that evidence, refer, or relate to claims made by or on behalf of the Respondent under any insurance policy in connection with the site. Include any responses from the insurer with respect to any claims.**
No documents available; no claims made.
- e. **Identify any previous settlements with any insurer in connection with the site, or for any claims for environmental liabilities during the time period under investigation. Include any policies surrendered or cancelled by the Respondent or insurer.**
No claims or previous settlements; no policies surrendered or cancelled.
- f. **Identify any and all insurance, accounts paid or accounting files that identify Respondent's insurance policies.**
No records available.
- g. **Identify Respondent's policy with respect to document retention**
No written policy

6. Compliance with This Request

Describe all sources reviewed or consulted in responding to this request, including, but not limited to:

- a. **the name and current job title of all individuals consulted;**
None
- b. **the location where all documents reviewed are currently kept**
7152 1st Avenue South; Seattle, Washington 98148

ATTACHMENT 1: PROPERTY LEASE
ATTACHMENT 2: PROCESS FLOW DIAGRAM
ATTACHMENT 3: WASTEWATER PRETREATMENT PERMIT
ATTACHMENT 4: SPILL CONTROL PLAN
ATTACHMENT 5: POLLUTION LIABILITY INSURANCE POLICY

ATTACHMENT 1

LEASE AGREEMENT

between

**HERMAN TROTSKY and JACQUALINE TROTSKY,
as Landlord,**

and

**CDRCO, NW, LLC,
as Tenant**

LEASE AGREEMENT

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LEASE AGREEMENT

THIS LEASE AGREEMENT (hereinafter "Lease") is dated March 15, 1996, between HERMAN TROTSKY and JACQUALINE TROTSKY, husband and wife, as Landlord, and CDRCo, NW, LLC, a California limited liability company, as Tenant.

ARTICLE 1. DEMISE

Contingent upon and on closing of a purchase and sale agreement dated January 26, 1996, with respect to certain assets of Northwest Cooperage Company, Inc., a Washington corporation, as Seller, and Consolidated Drum Reconditioning Co., Inc., or its nominee, as Purchaser (the "Asset Sale"), Landlord hereby leases, demises and lets that certain real property and the improvements located thereon as legally described on Exhibit A hereto (the "Premises") to Tenant, and Tenant hereby leases, hires and takes from Landlord the Premises, subject to the remaining terms and conditions set forth herein and to all applicable zoning, municipal, county and state laws, ordinances, rules, regulations, orders, restrictions of record, and requirements in effect during the term or any part of the term hereof, regulating the leased Premises.

ARTICLE 2. TERM

2.1 **Primary Term.** The primary term of the Lease shall commence on the date the Purchaser is entitled to possession of the assets under the Asset Sale (the "Rent Commencement Date") and terminate at midnight on the last day of the full month following ten (10) years after the Rent Commencement Date.

2.2 **Renewal Term.** Provided that Tenant is not in default hereunder, either at the time of exercising an option to renew or upon the commencement of any renewal term, Landlord hereby grants to Tenant the option to renew this Lease for two (2) additional terms of five (5) years each ("Renewal Terms") on the same terms and conditions as are provided for in this Lease, except for term, which shall be extended as set forth herein, and minimum monthly rent, which shall be determined as set forth below.

Tenant shall exercise an option to renew by delivering to Landlord written notice of its election to renew no later than one-hundred eighty (180) days prior to the expiration date of the primary term (or prior Renewal Term, as the case may be). Time is of the essence in the exercise of an option to renew, and Tenant's failure for any reason to exercise a renewal option within the time provided for herein shall constitute a waiver of Tenant's right to exercise such option; provided, however, that Tenant's option shall not finally terminate until ten (10) days have elapsed after written notice from Landlord during which time Tenant has not exercised its option.

Minimum monthly rent during the Renewal Term shall be the greater of (a) the amount determined using the Consumer Price

Index adjustment set forth in paragraph 3.2 below, or (b) one-twelfth (1/12) of ten percent (10%) of the then fair market value of the Premises without reduction for hazardous materials contamination (the "Fair Market Value"), as such Fair Market Value may be mutually agreed upon between the parties.

In the event that the parties are unable to agree upon the Fair Market Value of the Premises within thirty (30) days after Tenant's notice of exercise of its right to extend the Lease term, then the same shall be determined by arbitration, as follows:

Arbitration shall be before one (1) disinterested arbitrator if one can be agreed upon between the parties within fifteen (15) days after the expiration of the thirty-day period set forth above. If the parties are unable to agree upon a disinterested arbitrator within such fifteen (15) days, then the arbitrator shall be appointed by the then presiding judge of the King County Superior Court upon the motion of either party. For purposes hereof, a "disinterested arbitrator" shall be a commercial realtor doing business in King County and having at least ten (10) years' experience in matters involving the leasing and sale of commercial and industrial real estate in King County. The arbitrator shall conduct the proceedings in accordance with the laws of the State of Washington and the Uniform Arbitration Act. All arbitration proceedings hereunder shall be conducted in King County, Washington. The decision of the arbitrator shall be rendered within thirty (30) days after his or her appointment, and such decision shall be in writing and in duplicate, one counterpart thereof to be delivered to each of the parties hereto. The decision of the arbitrator shall be binding, final, and conclusive on the parties. Fees of the arbitrator and expenses incident to arbitration shall be borne equally between the parties. Fees of the respective counsel of the parties, if any, and expert witness fees or fees of other witnesses engaged by the parties shall be borne by the respective party engaging counsel or calling such witness.

In the event the arbitrator's decision shall not have been rendered prior to the commencement date of the Renewal Term, Tenant shall continue to pay timely the minimum rent last in effect under the Lease until the arbitrator's decision shall have been rendered, and within fifteen (15) days following the arbitrator's decision, Tenant shall pay to Landlord the accrued difference, if any, between the minimum rent amounts so paid by Tenant during the Renewal Term and the minimum rent amount applicable to the Renewal Term, as determined herein. In no event, however, shall rent during any Renewal Term be less than the minimum monthly rent last in effect during the primary term of the Lease, or prior Renewal Term, as the case may be.

The Renewal Terms set forth herein shall not be severable or separately assignable from this Lease. Each Renewal Term shall commence upon the expiration of the primary term (or prior Renewal Term, as the case may be).

ARTICLE 3. MINIMUM RENT

3.1 Minimum Monthly Rent. Tenant covenants and agrees to pay without offset or deduction of any kind minimum monthly rent in the initial sum of Eleven Thousand Six Hundred Sixty-Seven Dollars (\$11,667.00) in advance at Landlord's address on the first day of each calendar month during the calendar year 1996. Tenant's obligation to pay such rent shall commence on the Rent Commencement Date; provided, however, that if the

Rent Commencement Date is not the first day of a calendar month, the first month's rent shall be prorated on the basis of a thirty (30) day month and shall be payable with the first full monthly rental due hereunder. Landlord's address shall be as set forth in Article 25 or as from time to time designated by Landlord to Tenant in writing.

3.2 Cost of Living. Commencing on January 1 of the calendar year following the Rent Commencement Date, and on the first day of January of each calendar year thereafter, the minimum monthly rent specified in Subsection 3.1 shall be adjusted to reflect any changes in the cost of living as follows:

(a) As used herein, the term "Price Index" means the "Revised Consumer Price Index for Urban Wage Earners and Clerical Workers, All Items" (or, if that Index is no longer published or is revised, a successor or substitute index appropriately adjusted), published by the Bureau of Labor Statistics of the United States Department of Labor, U.S. City Average.

(b) As used herein, the term "Base Index" means the Price Index for the month immediately preceding the fifteen (15) month period prior to the calendar year for which rent is being determined (or, if there be no index for said month, then for the month having the next preceding published Price Index).

(c) In the event that the Price Index for the twelfth month succeeding the Base Index month referred to in 3.2(b) above (or, if there be none, then for the month having the next succeeding published Price Index) shall be different than the Base Index, then the monthly installments of rent payable during the calendar year for which rent is being adjusted shall each be altered to an amount which is equal to the product reached by multiplying (i) the amount of the monthly installment of rent payable as of the adjustment date by (ii) a fraction, the numerator of which is the Price Index for the month referred to above in this Subsection 3.2(c) and the denominator of which is the Base Index. In no event, however, shall the minimum monthly rent for any period be less than Eleven Thousand Six Hundred Sixty-Seven Dollars (\$11,667.00).

ARTICLE 4. USE OF PREMISES

4.1 Type of Business. The Premises shall be used and occupied only for the conduct of a cooperage and drum and barrel business, including but not limited to the manufacturing, repairing, reconditioning, cleaning, storing, wholesaling and retailing of drums and barrels and other types of containers, and for no other purposes without Landlord's prior written consent.

4.2 Prohibited Actions. Tenant shall not do or permit to be done in or about the Premises anything which is illegal or unlawful; or which is of a hazardous or dangerous nature. Tenant shall not cause, maintain or permit any nuisance in, on or about the Premises, or commit any waste therein or thereon. Tenant shall not allow refuse, garbage or trash to accumulate outside of the Premises. Tenant shall neither use nor permit the use of the Premises or any part thereof as living or sleeping quarters.

4.3 Insurance Rate Increase. Tenant shall not do or permit to be done in or about the Premises anything which will

increase the rate of or cause cancellation of, any insurance on the building of which the Premises are a part without Landlord's prior written consent. Tenant shall pay any increased costs occasioned by such action.

4.4 Compliance With Laws. Tenant agrees that, at its own cost and expense, it will comply with and conform to all laws and ordinances and any and all lawful requirements and orders of any properly constituted governmental board of authority, in any way relating to the use or occupancy of the Premises throughout the entire term of this Lease; provided, however, that nothing herein shall be construed to diminish Landlord's obligations to Tenant under the Agreement of Purchase and Sale of Assets.

4.5 Hazardous Substances.

(a) Tenant shall not cause or permit any hazardous substance to be used, stored, generated or disposed of on or in the Premises by Tenant, Tenant's agents, employees, contractors or invitees without first obtaining Landlord's written consent, except to the extent the same are used in the ordinary course of Tenant's permitted business and in accordance with all laws and regulations governing said use. If hazardous substances are used, stored, generated or disposed of on or in the Premises except as permitted above, or if the Premises become contaminated in any manner for which Tenant is legally liable, Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Premises, damages caused by loss or restriction of rentable or usable space, or any damages caused by adverse impact on marketing of the space, and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the lease term and arising as a result of that contamination by Tenant. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site or any cleanup, removal or restoration mandated by a federal, state or local agency or political subdivision. Without limitation of the foregoing, if Tenant causes or permits the presence of any hazardous substance on the Premises and that results in contamination, Tenant shall promptly, at its sole expense, take any and all necessary actions to return the Premises to the condition existing prior to the presence of any such hazardous substance on the Premises. Tenant shall first obtain Landlord's approval for any such remedial action.

(b) As used herein, "hazardous substance" means any substance that is toxic, ignitable, reactive or corrosive and that is regulated by any local government, the State of Washington, or the United States Government. "Hazardous substance" includes any and all material or substances that are defined as "hazardous waste," "extremely hazardous waste," or a "hazardous substance" pursuant to state, federal or local governmental law. "Hazardous substance" includes but is not restricted to asbestos, polychlorobiphenyls ("PCBs") and petroleum.

ARTICLE 5. UTILITIES

5.1 Tenant Responsibility. Tenant, at its own cost and expense, shall pay for all water, gas, heat, electricity, garbage disposal, sewer charges, telephone and any other utility or service charge related to its occupancy of the Premises.

5.2 Damages Upon Interruption. Landlord shall not be liable in damages, consequential or otherwise, nor shall there be any rent abatement, arising out of any interruption or reduction whatsoever in utility services which is due to fire, accident, strike, governmental authority, acts of God, or other causes beyond the reasonable control of Landlord.

ARTICLE 6. TAXES

6.1 Real Property Taxes. Tenant shall pay, prior to delinquency and directly to the taxing authority, all "Taxes" (as hereinafter defined) which may be levied, assessed or imposed against or become a lien upon the Premises. The term "Taxes" shall mean and include real estate taxes, assessments (special or otherwise) including impositions for the purpose of funding special assessment districts, water and sewer rents, rates and charges (including water and sewer charges which are measured by the consumption of the actual user of the item or service for which the charge is made), levies, fees (including license fees) and all other taxes, governmental levies and charges of every kind and nature whatsoever (and whether or not the same presently exist or shall be enacted in the future), which may during the term be levied, assessed, imposed, become a lien upon or due and payable with respect to, out of or for the Premises, or imposed or based upon or measured by the rents receivable by Landlord for the Premises, excluding net income or excess profits taxes. Tenant shall also pay all taxes and assessments levied, assessed or imposed on any leasehold improvements made by Tenant.

Tenant shall promptly provide Landlord with a copy of a cancelled check, receipt, or other reasonable evidence of payment of all Taxes as defined herein.

6.2 Proration For Partial Years. If this Lease shall terminate on any date other than the last day of a tax fiscal year, the amount payable by Tenant during the tax fiscal year in which such termination occurs shall be prorated on the basis which the number of days from the commencement of said tax fiscal year to and including said termination date bears to 365. A similar proration shall be made for the tax fiscal year in which the term commences. The obligation of Tenant under this Article shall survive the termination of this Lease.

6.3 Personal Property and Business Taxes. Tenant shall also pay, before delinquency, any and all taxes and assessments, sales, use, business, occupation or other taxes, and license fees or other charges whatever levied, assessed or imposed upon its business operations conducted in the Premises. Tenant shall also pay, before delinquency, any and all taxes and assessments levied, assessed or imposed upon its equipment, furniture, furnishings, trade fixtures, merchandise and other personal property in, on or upon the Premises.

6.4 Tenant Rental Taxes. Tenant shall pay (or reimburse Landlord therefor forthwith on demand) any excise tax, gross receipts tax, or any other tax however designated, and whether charged to Landlord, or to Tenant, or to either or both of them, which is imposed on or measured by or based on the rentals to be paid under this or any estate or interest of Tenant, or any occupancy, use or possession of the Premises by Tenant.

6.5 Landlord Taxes. Nothing hereinabove contained in this Article shall be construed as requiring Tenant to pay any

inheritance, estate, succession, transfer, gift, franchise, income or profits tax or taxes imposed upon Landlord.

ARTICLE 7. ACCEPTANCE OF PREMISES

The Premises are leased to Tenant "as is," without representation and warranty by the Landlord, except as to the lack of known material defects.

ARTICLE 8. REPAIRS, MAINTENANCE AND ALTERATIONS

8.1 Tenant's Duties. Tenant shall, at its own expense throughout the term of this Lease, keep and maintain the Premises and every part thereof, including but not limited to the roofs, roof skins, foundations, walls, and all structural components of all improvements located on the Premises, all electrical and plumbing fixtures and conduits, elevators, heating apparatus, partitions, doors, door frames, door checks, other entrances, windows and window frames; the parking and driveway areas, including reasonable periodic resealing, resurfacing and restriping of the same; and all landscaping, signage and sidewalks, in good order, condition and repair, and shall do such reasonable periodic painting of the interior and exterior thereof as conditions may warrant, but not less than every three (3) to five (5) years. Tenant shall keep its sewers and drains and the pipes leading therefrom not maintained by any governmental entity open and clear and shall keep the sidewalks and outside areas adjacent to the building on the Premises clean and free of debris. Tenant shall reimburse Landlord on demand for the cost of any damage to the Premises caused by Tenant or its employees, agents or invitees. If Tenant shall fail to comply with the foregoing requirements, Landlord may (but shall not be obligated to) effect such maintenance and repair; and the cost thereof together with interest thereon at the prime rate as determined by Seafirst National Bank or its successor, plus three percent (3%) per annum, shall be due and payable as additional rent to Landlord, together with Tenant's next rental installment.

8.2 Alterations. Tenant shall not make any structural alterations, changes or improvements in or to the Premises or any part thereof without first obtaining Landlord's written consent; and all of the same shall be at Tenant's sole cost. Landlord may impose as a condition of its consent such requirements as Landlord, in its reasonable discretion, may deem desirable, including but not limited to, the requirement that Tenant utilize for such purposes only contractors, materials, mechanics and materialmen approved by Landlord. All alterations, additions, changes and improvements made by Tenant shall become the property of Landlord and a part of the realty and shall be surrendered to Landlord upon the expiration or sooner termination of the term hereof. Further, Landlord may designate by written notice to Tenant those structural alterations, additions and improvements which shall be removed by Tenant at the expiration or termination of the Lease; and Tenant shall promptly remove the same and repair all damage caused by such removal at its cost and with all due diligence.

ARTICLE 9. TRADE FIXTURES AND SURRENDER

9.1 Surrender. Upon the expiration or sooner termination of the term hereof, Tenant shall surrender the Premises, including without limitation, all apparatus and fixtures then upon the Premises, in good commercially reasonable condition, ordinary wear and tear from reasonable and normal use alone excepted, broom clean and free of trash and rubbish and,

subject to Landlord's election set forth in Subsection 8.2, with all alterations, changes, additions and improvements which may have been made or installed from time to time either by Landlord or Tenant in, on or about the Premises. All of the same shall be the property of Landlord and shall be surrendered by Tenant without any injury, damage or disturbance thereto; and Tenant shall not be entitled to any payment therefor. Said property of Landlord shall include, without limitation, all lighting fixtures, fluorescent tubes and bulbs, and all partitions whether removable or otherwise.

9.2 Trade Fixtures, Furniture and Other Personal Property. Movable trade fixtures, production line and other equipment, furniture and other personal property installed in the Premises by Tenant at its cost shall be Tenant's property unless otherwise provided in this Lease and if not in default hereunder. Tenant shall remove all of the same prior to the termination of this Lease and at its own cost repair any damage to the Premises and the building caused by such removal. If Tenant fails to remove any of such property, Landlord may at its option remove such property which it reasonably believes has material value to Tenant and place the same in public storage at Tenant's expense. With regard to Tenant's property which Landlord reasonably believes has little or no value to Tenant, Landlord may remove the same and dispose of it in any manner. Tenant shall, upon demand, pay Landlord the actual expense of such removal and disposition plus the cost of repair of any and all damage to said Premises and building resulting from or caused by such removal.

9.3 Merger and Subleases. The voluntary or other surrender of this Lease by Tenant, or a mutual cancellation thereof, shall not work a merger, and shall, at the option of the Landlord, terminate all or any existing subleases and subtenancies, or may, at Landlord's option, operate as an assignment to it of any or all such subleases or subtenancies.

9.4 Early Re-Entry. If, at any time during the last thirty (30) days of the term hereof, Tenant has removed all or substantially all of its aforesaid property from the Premises, Landlord shall thereafter have the right to enter said Premises for the purpose of altering, renovating and/or redecorating the same. Any such entry or work by Landlord shall not entitle Tenant to any abatement of rent or any other sum payable hereunder nor shall such entry or work be deemed an eviction or disturbance of Tenant's use and occupancy.

ARTICLE 10. DAMAGE OR DESTRUCTION

10.1 Insured Damage. Except as otherwise provided in Subsection 10.2, if the Premises are damaged or destroyed by any casualty covered by Landlord's fire insurance policy, Landlord shall repair such damage as soon as reasonably possible, to the extent of the available proceeds, and the Lease shall continue in full force and effect.

10.2 Substantial Damage - Insufficient Proceeds. If the Premises are damaged or destroyed by any casualty covered by Landlord's fire insurance policy to such an extent as to render the same untenable in whole or substantial part, or to the extent of twenty-five (25%) or more of the replacement value of the Premises during the last twenty-four (24) months of the Lease term, then Landlord may, at Landlord's option, either (i) repair such damage as soon as reasonably possible, in which event this Lease shall continue in full force and effect, or (ii) cancel and terminate this Lease as of the date of the occurrence of such damage by giving Tenant written

notice of Landlord's election to do so within ninety (90) days after the date of the occurrence of the damage; provided, however, that by exercising any then available option to renew within thirty (30) days of Landlord's notice (provided further that Tenant's notice is given no later than 180 days prior to the expiration date of this Lease, or any extension thereof), Tenant may void any notice given by Landlord to terminate during the last twenty-four (24) months of the Lease term, in which event Landlord shall repair the damage as soon as reasonably possible, as set forth above.

10.3 Abatement of Rent. In the event of damage or destruction not caused by Tenant's fault or neglect, then and only then shall the minimum rent payable hereunder be proportionately reduced during the period of damage and any repair or restoration pursuant to this Article 10, said reduction to be based upon the extent to which the damage or the making of such repairs or restoration shall interfere with Tenant's business conducted in the Premises. In the event of damage or destruction caused by Tenant's failure or neglect, minimum rent shall continue unabated.

10.4 Damage to Tenant's Personal Property. Landlord shall in no event be required or obligated to repair, restore or replace any of Tenant's leasehold improvements, trade fixtures or any other property whatever installed in the Premises by Tenant.

ARTICLE 11. EMINENT DOMAIN

11.1 Taking of and Payment for All. If all or substantially all of the Premises shall be taken or appropriated by any public or quasi-public authority under the power of eminent domain (or similar law authorizing the involuntary taking of private property, which shall include a sale in lieu thereof to a public body), either party hereto shall have the right, at its option, to terminate this Lease effective as of the date possession is taken by said authority; and Landlord shall be entitled to any and all income, rent, award and any interest thereon whatsoever which may be paid or made in connection with such public or quasi-public use or purpose. Tenant hereby assigns to Landlord its entire interest in any and all such awards, and shall have no claim against Landlord for the value of any unexpired term of this Lease. "Substantially all" shall be defined as the taking of sufficient property to materially impair the ability of Tenant to continue its business as then conducted.

11.2 Taking of Portion of Premises. If only a portion of the Premises is taken, then this Lease shall continue in full force and effect and the proceeds of the award shall be used by Landlord to restore the remainder of the improvements on the Premises so far as practicable to a complete unit of like quality and condition to that which existed immediately prior to the taking, and the Minimum Rent shall be equitably reduced in proportion to the area of the Premises taken. The cost of Landlord's restoration work shall not exceed the amount of the award received by Landlord.

11.3 Tenant's Damages. Nothing hereinbefore contained shall be deemed to deny to Tenant its right to claim from the condemning authority compensation or damages for its trade fixtures and personal property or for its moving expenses.

ARTICLE 12. INSURANCE

12.1 Tenant's Duties. Tenant shall, at all times during the term hereof, at its expense, carry and maintain insurance policies in the amounts and in the form hereafter provided:

(a) Public Liability and Property Damage:

Bodily injury liability insurance with limits of not less than Two Million Dollars (\$2,000,000) per occurrence insuring against any and all liability of the insured for bodily injury, personal injury and property damage or arising from the maintenance, use or occupancy of the Premises. All such insurance shall specifically insure the performance by Tenant of the indemnity agreement as to liability for injury to or death of persons and loss of or damage to property contained in Article 14 hereof. Said insurance shall name Landlord and any property manager of Landlord as additional insureds, and shall provide that Landlord and such parties, although named as insureds, shall nevertheless be entitled to recovery thereunder for any loss suffered by them, their agents, servants and employees by reason of Tenant's negligence. Said insurance shall be primary insurance as respects Landlord and such parties and not participating with any other available insurance.

(b) Tenant Improvements: Insurance covering

all of Tenant's leasehold improvements, trade fixtures, merchandise and other personal property from time to time in the Premises in an amount not less than their full replacement cost from time to time, providing protection against any peril included within the coverage termed by the insurance industry as "special form" or equivalent. The proceeds of such insurance shall, so long as this Lease remains in effect, be used to repair or replace the property damaged or destroyed.

(c) Policy Form: All insurance to be carried

by Tenant hereunder shall be in companies, on forms and with loss payable clauses satisfactory to Landlord and copies of such policies or certificates evidencing such insurance shall be delivered to Landlord within ten (10) days after delivery of possession of the Premises to Tenant and within thirty (30) days prior to the expiration date of each policy. No such policy shall be cancelable except after thirty (30) days' advance written notice to Landlord. Tenant shall have the right to maintain required insurance under blanket policies, provided that Landlord and any property manager of Landlord are named therein as additional insureds and that the coverage afforded Landlord and such parties will not be reduced or diminished by reason thereof.

12.2 Landlord's Duties - Casualty. Landlord shall obtain and keep in force during the term hereof, a policy or policies of insurance covering loss or damage to the Premises, providing protection against all perils included within the coverage termed by the insurance industry as "special form" or equivalent, together with an endorsement providing for rental income insurance covering a period of twelve (12) months covering minimum rental and all other leasehold expenses of Tenant hereunder, and, at Landlord's sole option, Landlord may obtain earthquake insurance. Tenant shall reimburse Landlord for the foregoing insurance premiums within twenty (20) days after Landlord's billing therefor to Tenant.

12.3 Landlord's Remedy: Tenant's Insurance. If Tenant shall fail to procure and maintain any insurance policy required herein, Landlord may (but shall not be obligated to)

procure the same on Tenant's behalf, and the cost of same shall be due with the next installment of rent, together with interest at the prime rate plus three percent (3%) per annum.

ARTICLE 13. WAIVER OF SUBROGATION

Any insurance carried by either party with respect to the Premises and property contained in the Premises or occurrences related to them shall include a clause or endorsement denying to the insurer rights of subrogation against the other party to the extent rights have been waived by the insured prior to occurrence of injury or loss. Tenant shall upon request provide to Landlord written evidence from its insurer or insurance broker that such a clause is contained in Tenant's insurance policy. Each party, notwithstanding any provisions of this Lease to the contrary, waives any right of recovery against the other for injury or loss due to hazards covered by insurance containing such clause or endorsement.

ARTICLE 14. RELEASE AND INDEMNITY

14.1 Tenant's Indemnity. Tenant shall indemnify and hold harmless Landlord and any property manager of Landlord against and from any and all claims, actions, damages, liability and expenses, including attorneys' fees, arising from or out of Tenant's use of the Premises or from the conduct of its business or from any activity, work or other things done, permitted or suffered by the Tenant in or about the Premises. Tenant shall further indemnify and hold Landlord and any property manager of Landlord harmless from any and all claims arising from any breach or default in the performance of any obligation on Tenant's part to be performed under the terms of the Lease, or arising from any act or negligence of the Tenant, or any officer, agent, employee, guest or invitee of Tenant, and from all costs, damages, attorneys' fees and liabilities incurred in defense of any such claim of any action or proceeding brought thereon, including any action or proceeding brought against Landlord and any property manager of Landlord by reason of such claim. Tenant, as a material part of the consideration to Landlord, hereby assumes all risk of damage to property or injury to persons in, upon or about the Premises arising out of the Tenant's use or occupancy after the commencement of this Lease, from any cause other than Landlord's negligence. Tenant shall give prompt notice to Landlord in case of casualty or accident in the Premises.

14.2 Landlord's Liability. In addition to those matters Landlord is indemnified against in Subsection 14.1, above, Landlord shall not be liable for injury or damage which may be sustained by the person, goods, wares, merchandise or property of Tenant, its employees, invitees or customers, or by any other person in or about the Premises caused by or resulting from fire, steam, electricity, gas, water or rain which may leak or flow from or into any part of the Premises, or from the breakage, leakage, obstruction or other defects of the pipes, sprinklers, wires, appliances, plumbing, air conditioning or lighting fixtures of the same, whether the said damage or injury results from conditions arising upon the Premises or from other sources. Tenant shall further indemnify and hold Landlord and any property manager of Landlord harmless from any and all such claims and from all costs, damages, attorneys' fees, and liabilities incurred in defense of any such claim or any action or proceeding brought thereon, including any action or proceeding brought against Landlord or such parties by reason of such claim.

ARTICLE 15. INSOLVENCY, ETC., OF TENANT

15.1 Bankruptcy or Levy. The filing of any petition in bankruptcy, whether voluntary or involuntary, or the adjudication of Tenant as a bankrupt or insolvent, or the appointment of a receiver or trustee to take possession of all or substantially all of Tenant's assets, or an assignment by Tenant for the benefit of its creditors, or any action taken or suffered by Tenant under any state or federal insolvency or bankruptcy act, including, without limitation, the filing of a petition for or in reorganization, or the taking or seizure under levy of execution or attachment of the Premises or any part thereof or any material portion of the Tenant's equipment or inventory, shall constitute a breach of this Lease by Tenant, and in any one or more of said events Landlord may at its option terminate this Lease by written notice to Tenant.

15.2 Transfer by Operation of Law. Neither this Lease nor any interest therein or thereunder, nor any estate thereby created in favor of Tenant, shall be an asset of Tenant in or under any bankruptcy, insolvency or reorganization proceeding, nor shall any of the same pass by operation of law under any state or federal insolvency or bankruptcy law to any trustee, receiver or assignee for the benefit of creditors or any other person whatever without Landlord's express written consent.

15.3 Damages. Landlord shall be entitled, notwithstanding any provision of this Lease to the contrary, upon re-entry of the Premises in case of a breach under this Article, to recover from Tenant as damages for loss of the bargain resulting from such breach, and not as a penalty, such amounts as are specified in Article 22, unless any statute governing the proceeding in which such damages are to be proved shall lawfully limit the amount thereof capable of proof, in which latter event Landlord shall be entitled to recover as and for its damages the maximum amount permitted under said statute.

ARTICLE 16. SIGNS AND PROMOTIONS

Tenant shall have the right to install, maintain and replace on the Premises, such signs as may be reasonably necessary for commercial identification, provided that erection of such signs by Tenant shall first have been approved by Landlord, which approval shall not be unreasonably withheld or delayed, and by applicable governmental authorities. Tenant shall pay all costs relating to the construction, installation, maintenance and repair of its signs.

ARTICLE 17. ASSIGNMENT AND SUBLETTING

17.1 Assignment or Sublease - Consent Required. Tenant shall not voluntarily, involuntarily, or by operation of law assign, transfer, hypothecate, or otherwise encumber this Lease or Tenant's interest therein, and shall not sublet or permit the use by others of the Premises or any part thereof without first obtaining in each instance Landlord's written consent. If consent is once given by Landlord to any such assignment, transfer, hypothecation or subletting, such consent shall not operate as a waiver of the necessity for obtaining Landlord's consent to any subsequent assignment, transfer, hypothecation or sublease. Any such assignment or transfer without Landlord's consent shall be void and shall, at Landlord's option, constitute a material breach of this Lease. This Lease shall not, nor shall any interest therein, be assignable as to Tenant's interest by operation of law, without Landlord's express prior written consent. Approval by

Landlord of any assignment or subletting shall not eliminate Tenant's liability for all obligations contained herein during the remainder of the Lease term.

17.2 Reasonable Refusal of Consent. The consent of Landlord required under Subsection 17.1 above shall not be unreasonably withheld. Should Landlord withhold its consent for any of the following reasons, without limitation, the withholding shall be deemed to be reasonable:

(a) Financial inadequacy of the proposed sublessee or assignee;

(b) A proposed use which is different from that set forth in Subsection 4.1, above, or which involves the additional use, storage, generation or disposal of hazardous substances as defined by Subsection 4.5 of this Lease.

17.3 Assumption of Liability With Tenant Required. Each assignee or transferee shall assume and be deemed to have assumed this Lease and shall be and remain liable jointly and severally with Tenant for the payment of all rents due hereunder, and for the due performance during the term of all the covenants and conditions herein set forth by Tenant to be performed. No assignment or transfer shall be effective or binding on Landlord unless said assignee or transferee shall, concurrently, deliver to Landlord a recordable instrument which contains a covenant of assumption by said assignee or transferee; provided that a failure or refusal to so execute said instrument shall not release or discharge the assignee or transferee from its liability aforesaid.

17.4 Transfer of Interest in Entity - Assignment. If Tenant is not a publicly traded corporation, or if Tenant is an unincorporated association or a partnership, the transfer, assignment or hypothecation by one or more persons and/or entities of any stock or interest in such corporation, association, limited liability company or partnership in excess of fifty percent (50%) shall be deemed an assignment within the meaning of this Article.

17.5 Notice and Information Required From Tenant. If Tenant intends to assign this Lease or any interest therein, or sublet all or any part of the Premises, Tenant shall give prior written notice to Landlord of each such proposed assignment or subletting, specifying the proposed assignee or subtenant and the terms of such proposed assignment or sublease and the use to which the Premises will be put. Said notice shall be accompanied by the proposed assignee's or sublessee's certified financial statement, business plan, and pro forma statement of the business to be operated. Landlord shall, within thirty (30) days thereafter, notify Tenant in writing either, that it consents (subject to any conditions of consent that may be reasonably imposed by Landlord) or does not consent to such transaction.

17.6 Division of Excess Payment. In the event of an approved assignment or subletting pursuant to this Article 17, Tenant shall assign to Landlord one-half of all consideration paid to Tenant directly or indirectly for the assignment by Tenant of its leasehold interest, and fifty percent (50%) of any and all subrentals payable by sublessees to Tenant which are in excess of the minimum monthly rental payable by Tenant hereunder.

17.7 Landlord's Costs and Attorneys' Fees. Tenant agrees to reimburse Landlord for Landlord's reasonable costs

and attorneys' fees incurred in connection with the processing and documentation of any requested assignment, transfer, hypothecation or subletting of this Lease aforesaid.

17.8 Sublease to American Bag and Salvage Company. Notwithstanding the remaining terms and conditions of this Article 17, Landlord hereby consents to, and Tenant hereby agrees to sublease a portion of the Premises equivalent to what is currently being used to American Bag and Salvage Company ("American Bag") for the remainder of 1996 for the sum of \$1,000.00 per month; provided, however, that American Bag may terminate such sublease at any time upon two weeks' notice to Tenant. Rent for any partial month during the term of such sublease shall be prorated based upon a thirty (30) day calendar month. Tenant agrees to provide access to American Bag and to cooperate with the reasonable needs of the subtenant in connection with utilities, transportation and office support services.

ARTICLE 18. ENTRY RIGHTS RESERVED BY LANDLORD

Subject to Tenant's security requirements, upon reasonable prior notice, Tenant shall permit Landlord or its agents to enter the Premises at reasonable times for the purpose of:

- (a) Inspection of the Premises as well as all equipment used in connection therewith;
- (b) Making repairs to the Premises;
- (c) Showing the Premises to persons wishing to purchase or make a mortgage loan upon the same;
- (d) Posting notice of non-responsibility;
- (e) Posting "For Lease" signs and showing the Premises to persons wishing to rent the Premises during the last six (6) months of the term of this Lease or extension thereof.

ARTICLE 19. CONSENT OF LANDLORD

Whenever Landlord's consent or approval is required prior to any action under this Lease, it shall not be unreasonably withheld, but in no event shall Landlord be liable in monetary damages for withholding its consent or approval unless Tenant proves the same to have been withheld maliciously or in bad faith.

ARTICLE 20. RIGHT OF LANDLORD TO PERFORM

All covenants to be performed by Tenant hereunder shall be performed by Tenant at its sole cost and expense and without any abatement of any rent to be paid hereunder. If Tenant shall fail to pay any sum, other than rent, required to be paid by it or shall fail to perform any other act on its part to be performed, and such failure shall continue beyond the applicable grace period set forth in Article 22, Landlord may (but shall not be obligated to) and without waiving or releasing Tenant from any of its obligations, make any such payment or perform any such other act on Tenant's part to be made or performed as herein provided. All sums so paid by Landlord and all necessary incidental costs, together with interest at the prime rate plus three percent (3%) per annum from the date of such payment by Landlord shall be payable by Tenant forthwith on Landlord's demand therefor. In the event of nonpayment thereof by Tenant, Landlord shall have, in addition to

all other rights and remedies, the same rights and remedies as in the case of default by Tenant in the payment of rent.

ARTICLE 21. LANDLORD DEFAULT

Notice to Landlord. If Landlord shall be in default of any covenant of this Lease to be performed by it, Tenant, prior to exercising any right or remedy it may have against Landlord on account thereof, shall give Landlord a thirty (30) day written notice of such default, specifying the nature of such default. Notwithstanding anything to the contrary elsewhere in this Lease, Tenant agrees that if the default specified in said notice is of such nature that it can be cured by Landlord, but cannot with reasonable diligence be cured within said thirty (30) day period, then such default shall be deemed cured if Landlord within said thirty (30) day period shall have commenced the curing thereof and shall continue thereafter with reasonable due diligence to cause such curing to proceed to completion.

ARTICLE 22. DEFAULT AND REMEDIES

22.1 Events of Default. The occurrence of any of the following shall constitute a material breach and default of this Lease by Tenant:

(a) Any failure by Tenant to pay when due any of the rent required to be paid by Tenant hereunder where such failure continues for ten (10) days after the same is due;

(b) A failure by Tenant to observe and perform any other provision of this Lease to be observed or performed by Tenant where such failure continues for thirty (30) days after written notice thereof from Landlord; provided, that if the nature of such default is such that the same cannot with due diligence be cured within said period, Tenant shall not be deemed to be in default if it shall within said period commence such curing and thereafter diligently prosecutes the same to completion;

(c) The abandonment of the Premises; or

(d) The failure of CDRCO, NW, LLC or A. Joseph Cruz or Phillip M. Freeman or their spouses to observe and comply with all terms, covenants and conditions applicable to them in the "Asset Sale," including the Agreement of Purchase and Sale of Assets, the Note, the Security Agreement, the Consulting and Marketing Representative Agreement, and/or the Guaranty.

22.2 Damages Upon Termination. In the event of any default as aforesaid by Tenant, then in addition to any and all other remedies available to Landlord at law or in equity, Landlord shall have the right to immediately terminate this Lease and all rights of Tenant hereunder by giving written notice to Tenant of its election so to do. If Landlord shall elect to terminate this Lease, then it may recover from Tenant:

(a) The worth at the time of the award of the unpaid rent, assessments and charges payable hereunder which had been earned at the date of such termination; plus

(b) The worth at the time of the award of the amount by which the unpaid rent, assessments and charges which would have been earned after termination and until the time of

the award exceeds the amount of such ~~rental~~ loss which Tenant proves could have been reasonably avoided; plus

(c) The worth at the ~~time~~ of the award of the amount by which the unpaid rent for the ~~balance~~ of the term after the time of the award exceeds the amount of such rental loss which Tenant proves could be reasonably avoided; plus

(d) Any other amounts ~~necessary~~ to compensate Landlord for all detriment proximately ~~caused~~ by Tenant's failure to perform its obligations hereunder or which, in the ordinary course of affairs, would likely result therefrom; and

(e) At Landlord's election, such other amounts in addition to or in lieu of the foregoing as may be permitted by applicable Washington law from time ~~to~~ time.

22.3 "Worth at the Time." As used in subparagraphs 22.2(a) and (b) above, the "worth at the time of the award" is computed by allowing interest at the ~~prime~~ rate plus three percent (3%) per annum. As used in subparagraph (c) above, the "worth at the time of the award" is computed by discounting such amount at the interest rate of a U.S. Treasury bill or note having approximately the same ~~length~~ until maturity as the time remaining on the lease or option term in effect.

22.4 Removal of Personal Property. In the event of any default aforesaid by Tenant, Landlord ~~shall~~ also have the right, with or without terminating this lease, to re-enter the Premises and remove all property and ~~persons~~ therefrom, and any such property may be removed and stored in a public warehouse or elsewhere at the cost and ~~for~~ the account of Tenant, or otherwise disposed of by Landlord in a commercially reasonable manner.

22.5 Remedy Upon Re-Entry Without Termination. If Landlord shall elect to re-enter as ~~above~~ provided or shall take possession of said Premises pursuant to legal proceedings or pursuant to any notice provided by law, and if Landlord has not elected to terminate this Lease, Landlord may either recover all rental as it becomes due or ~~relet~~ the Premises or any part of parts thereof for such term ~~in~~ terms and upon such provisions as Landlord, in its sole judgment, may deem advisable and shall have the right to make ~~repairs~~ to and alterations of the Premises.

22.6 Application of Rentals Upon Re-letting. If Landlord shall elect to relet as aforesaid, ~~then~~ rentals received by Landlord therefrom shall be applied as follows:

(a) To the payment of any indebtedness other than rent due hereunder from Tenant;

(b) To the payment of all costs and expenses incurred by Landlord in connection with ~~such~~ reletting;

(c) To the payment of the cost of any alterations of and repairs to the Premises; ~~and~~

(d) To the payment of rent due and unpaid hereunder and the residue, if any, shall be held by Landlord and applied in payment of future rent as the same may become due and payable hereunder.

In no event shall Tenant be entitled to any excess rental received by Landlord over and above that which Tenant is obligated to pay hereunder. Should that portion of such rentals

received from such reletting during any month, which is applied to the payment of rent hereunder, be less than the rent payable hereunder during that month by Tenant, then Tenant shall pay such deficiency to Landlord forthwith upon demand, and said deficiency shall be calculated and paid monthly. Tenant shall also pay Landlord as soon as ascertained and upon demand, all costs and expenses incurred by Landlord in connection with such reletting and in making any such alterations and repairs which are not covered by the rentals received from such reletting.

22.7 Re-Entry Not Termination. No re-entry or taking possession of the Premises by Landlord under this Article shall be construed as an election to terminate this Lease unless a written notice of such intention is given to Tenant or unless the termination thereof be adjudged by a court of competent jurisdiction. Notwithstanding any reletting without termination by Landlord because of Tenant's default, Landlord may at any time after such reletting elect to terminate this Lease because of such default.

22.8 Landlord's Right to Damages and Indemnification Preserved. Nothing contained in this Article shall constitute a waiver of Landlord's right to recover damages by reason of Landlord's efforts to mitigate the damages to it caused by Tenant's default; nor shall anything in this Article adversely affect Landlord's right, as in this Lease elsewhere provided, to indemnification against liability for injury or damage to persons or property occurring prior to a termination of this Lease.

22.9 Interest. Any unpaid rent and any other sums due and payable hereunder by Tenant shall bear interest at the prime rate as determined by Safirst National Bank or its successor plus three percent (3%) per annum from the due date and until payment thereof.

22.10 "Rent" and "Rental." The terms "rent" and "rental" as used herein and elsewhere in this Lease shall be deemed to be and mean the minimum rent, all additional rents, rental adjustments, taxes and utilities, and any and all other sums, however designated, required to be paid by Tenant hereunder.

22.11 Late Charges. Tenant acknowledges that late payment by Tenant to Landlord of rent will cause Landlord to incur costs not contemplated by this Lease, the exact amount of such costs being extremely difficult and impracticable to fix. Such costs include, without limitation, processing and accounting charges, and late charges that may be imposed on Landlord by the terms of any encumbrance and note secured by any encumbrance covering the Premises. Therefore, if any installment of rent due from Tenant is not received by Landlord within ten (10) days following the due date, Tenant shall pay to Landlord an additional sum of five percent (5%) of the overdue rent as a late charge. The parties agree that this late charge represents a fair and reasonable estimate of the costs that Landlord will incur by reason of late payment by Tenant. Acceptance of any late charge shall not constitute a waiver of Tenant's default with respect to the overdue amount, nor prevent Landlord from exercising any of the other rights and remedies available to Landlord.

22.12 Guaranteed Payment. Tenant agrees that in the event Tenant makes more than one payment in any calendar year to Landlord by check or draft which as a result of any act or omission of Tenant causes said instrument to be non-negotiable

by Landlord in the normal course of its business, Landlord may at its option demand that all future payments to Landlord from Tenant be made by certified or cashier's check or by money order or wire transfer.

22.13 Attorney's Fees. If Landlord shall retain an attorney for the purpose of collecting any rental due from Tenant or for the purpose of enforcing any other term or provision of this Lease, Tenant shall pay the reasonable fees of such attorney for the attorney's services regardless of the fact that no legal proceeding or action may have been filed or commenced.

ARTICLE 23. PRIORITY OF LEASE AND ESTOPPEL CERTIFICATE

23.1 Priority of Lease. At Landlord's election, this Lease shall be either superior to or subordinate to any and all trust deeds, mortgages or other security instruments, ground leases or leaseback financing arrangements now existing or which may hereafter be executed covering the Premises and/or the land underlying the same or any part or parts of either thereof, and for the full amount of all advances made or to be made thereunder together with interest thereon, and subject to all the provisions thereof, all without the necessity of having further instruments executed by Tenant to effectuate the same. Tenant agrees to execute, acknowledge and deliver upon request by Landlord any and all documents or instruments which are or may be deemed necessary or proper by Landlord to more fully and certainly assure the superiority of the subordination of this Lease and to any such trust deeds, mortgages or other security instruments, ground leases or leasebacks. Provided, that if this Lease shall be subordinate, any person or persons purchasing or otherwise acquiring any interest at a foreclosure sale under said trust deed, mortgages or other security instruments, or by termination of said ground leases or leasebacks, shall continue this Lease in full force and effect in the same manner as if such person or persons had been named as Landlord herein.

This Lease shall continue in full force and effect as aforesaid, and Tenant shall automatically become the tenant of Landlord's successor in interest and shall remain to said successor in interest. If requested, Tenant shall execute a reasonable attornment agreement satisfactory in form to said successor in interest. Tenant hereby irrevocably appoints Landlord as its attorney-in-fact, coupled with an interest to execute and deliver, for and in the name of Tenant, any document or instrument provided for in this Article. The words "person" and "persons" as used herein or elsewhere in this Lease shall mean individuals, partnerships, limited liability companies, firms, associations and corporations.

23.2 Modifications Required by Lender. It is understood by Tenant that during the term of this Lease, Landlord may place new or additional financing upon the Premises and in that event, this Lease must be approved by the financing institution making such loans. Accordingly, if any such financial institution requires, as a condition to making its loan, any non-substantive modification of this Lease, Tenant agrees to enter into an agreement so modifying this Lease. In the event Tenant refuses on the grounds that the modification is substantive, then that issue only shall be arbitrated through the offices of the American Arbitration Association under the rules and guidelines of that association as then existing. If it is determined by such arbitration that Tenant is required to enter into such amendment and if Tenant refuses to execute such amendment within ten (10) days after such

determination, then Landlord shall have the right, in addition to any other remedies it may have at law or in equity, by giving written notice to Tenant, to terminate this Lease.

23.3 Tenant Estoppel Certificates. Tenant shall at any time and from time to time execute, acknowledge and deliver to Landlord, within ten (10) days after Landlord's request therefor, a written statement certifying as follows:

(a) That this Lease is unmodified and in full force (or if there has been modification thereof, that the same is in full force as modified and stating the nature thereof);

(b) That to the best of its knowledge, there are no uncured defaults on the part of Landlord (or if any such default exists, the specific nature and extent thereof);

(c) The date to which any rents and other charges have been paid in advance, if any. If Tenant shall fail to execute and deliver any such statement to Landlord within ten (10) days after Landlord's written request therefor, Landlord may, as Tenant's attorney-in-fact coupled with an interest, execute said statement for and on behalf of Tenant, and in Tenant's name.

23.4 Landlord Estoppel Certificates. Landlord shall at any time and from time to time execute, acknowledge and deliver to Tenant, within ten (10) days after Tenant's request therefor, a written statement certifying as follows:

(a) That this Lease is unmodified and in full force (or, if there has been modification thereof, that the same is in full force as modified and stating the nature thereof);

(b) That to the best of its knowledge, there are no uncured defaults on the part of Tenant (or if any such default exists, the specific nature and extent thereof); and

(c) The date to which rents and other charges have been paid in advance, if any.

ARTICLE 24. HOLDING OVER

If, without the execution of a new Lease or written extension of this Lease, and with the consent of Landlord, Tenant shall hold over after the expiration of the term of this Lease, then Tenant shall be deemed to be occupying the Premises as a tenant from month-to-month, which tenancy may be terminated as provided by law. During said tenancy, the minimum rent payable to Landlord by Tenant shall be one hundred twenty percent (120%) of the minimum rental set forth in Article 3 of this Lease, unless a different rate is agreed upon, and upon all of the other terms, covenants and conditions set forth in this Lease so far as the same are applicable. Provided that if Tenant shall fail to surrender the Premises upon the termination of this Lease, in addition to any other liabilities to Landlord arising therefrom, Tenant shall and does hereby agree to indemnify and hold Landlord harmless from loss and liability resulting from such failure including, but not limited to, claims made by any succeeding tenant founded on such failure.

ARTICLE 25. NOTICES

Wherever in this Lease it shall be required or permitted that notice, approval, advice, consent or demand be given or served by either party to this Lease to or on the other, the same shall be given or served, and shall not be deemed to have been duly given or served unless in writing and forwarded by certified or registered mail, addressed to the addresses of the parties as specified herein. Notice shall be deemed given when so mailed and addressed. Either party may change such address by written notice forwarded by certified or registered mail to the other. Copies to be sent to the parties' attorneys may be sent by facsimile to the telephone numbers set forth next to their respective addresses below.

LANDLORD: HERMAN and JACQUALINE TROTSKY
2818 - 140th Avenue N.E.
Bellevue, Washington 98005

**WITH A
COPY TO:** KENNETH A. BLOCH
Wolfstone, Panchot & Bloch, P.S., Inc.
801 Second Avenue, Suite 1500
Seattle, Washington 98104-1577
Facsimile No. (206) 340-8837

TENANT: CONSOLIDATED NORTHWEST COOPERAGE COMPANY, LLC
1051 Union Street
Montebello, California 90640

**WITH A
COPY TO:** WILSON B. HART
The Wilson Hart Law Firm
14132 East Firestone Boulevard
Santa Fe Springs, California 90670
Facsimile No. (714) 994-3647

ARTICLE 26. LIENS

26.1 No Liens Permitted. Tenant shall pay all costs for work done by it or caused to be done by it in the Premises and Tenant shall keep the Premises free and clear of all mechanics' liens and other liens on account of work done for Tenant or persons claiming under it. Tenant agrees to and shall indemnify and hold Landlord harmless against liability, loss, damage, costs, attorneys' fees and any other expenses on account of claims of lien of laborers or materialmen for work performed or materials or supplies furnished for Tenant or persons claiming under it. Tenant shall take all steps as Landlord may direct, including the furnishing of a bond or bonds, to insure the protection of Landlord and the Premises from loss by virtue of any such lien.

26.2 Tenant's Bond on Contest. If Tenant shall desire to contest any claim of lien, it shall furnish Landlord adequate security in the amount of the claim, plus estimated costs and interest or a bond of a responsible corporate surety in that amount conditioned on discharge of the lien. Tenant shall pay and satisfy forthwith any final judgment entered which establishes the validity or existence of a lien.

26.3 Landlord's Right to Pay Lien Claims. If Tenant shall not have paid a charge for which a mechanics' lien claim and suit to foreclose the same have been filed, and shall not

have given the security aforesaid, Landlord may (but shall not be obligated to) pay said claim and any costs, and the amount so paid, together with reasonable attorneys' fees incurred in connection therewith shall be immediately due and owing from Tenant to Landlord as additional rent, together with interest at the maximum lawful rate from the date of Landlord's payment thereof.

26.4 Notice Prior to Commencement of Work. Tenant shall, at least ten (10) days prior to commencing any work which might result in a lien as aforesaid, give Landlord written notice of its intention so to do to enable Landlord to post, file and record legally effective notices of nonresponsibility. Landlord or its representatives shall have the right to enter into the Premises and inspect the same at all reasonable times, and shall have the right to post and keep posted thereon said notices of nonresponsibility and such other notices as Landlord may deem proper to protect its interest therein.

ARTICLE 27. QUIET ENJOYMENT

Landlord agrees that Tenant, except as otherwise provided herein, upon payment of rent, additional rent and all other sums and charges required to be paid by Tenant hereunder, and the due and punctual performance of all of Tenant's other covenants and obligations under this Lease, shall have the quiet and undisturbed possession of the Premises.

ARTICLE 28. ATTORNEYS' FEES

Should either party hereto institute any action or proceeding in court or arbitration to enforce any provision hereof or for damages or for declaratory or other relief hereunder, the prevailing party shall be entitled to receive from the losing party, in addition to court or arbitration costs, such amount as the court or arbitrator may adjudge to be reasonable as attorneys' fees for services rendered to said prevailing party, and said amount may be made a part of the judgment against the losing party.

ARTICLE 29. MISCELLANEOUS

29.1 No Partnership or Joint Venture. Nothing contained in this Lease shall be deemed or construed as creating a partnership or joint venture between Landlord and Tenant or between Landlord and any other party, or cause Landlord to be in any manner responsible for the debts or obligations of Tenant, or any other party.

29.2 Separation of Provisions - Construction of Lease. If any provision of this Lease shall be determined to be void or voidable by any court of competent jurisdiction, such determination shall not affect any other provision of this Lease and all such other provisions shall remain in effect. It is the intention of the parties hereto that if any provision of this Lease is capable of two constructions, one of which would render the provision void or voidable and the other of which would render the provision valid, then the provision shall have the meaning which renders it valid.

29.3 Corporate Representatives. If Tenant hereunder is a corporation, the parties executing this Lease on behalf of Tenant represent and warrant to Landlord that: They have the authority to bind Tenant; Tenant is a valid and existing corporation or limited liability company; all things necessary to qualify Tenant to do business in Washington have been accom-

plished prior to the date of this Lease; all franchise and other corporate taxes have been paid to the date of this Lease; all forms, reports, fees and taxes required to be filed or paid by said entity in compliance with applicable laws will be filed and paid when due.

29.4 Entire Agreement. The entire agreement between the parties hereto is set forth in this Lease and the Agreement of Purchase and Sale of Assets effective January 26, 1996, and any agreement hereafter made shall be ineffective to change, modify, alter or discharge it in whole or in part unless such agreement is in writing and signed by both said parties. It is further understood that there are no oral agreements between the parties hereto affecting this Lease, and that this Lease supersedes and cancels any and all previous negotiations, arrangements, brochures, agreements and understandings, if any, between said parties or displayed by Landlord to Tenant with respect to the subject matter of this Lease, and none of the same shall be available to interpret or construe this Lease. All negotiations and oral agreements acceptable to both parties hereto have been merged into and are included in this Lease.

29.5 Jurisdiction - Construction of Lease. The laws of the State of Washington shall govern the validity, performance and enforcement of this Lease. King County shall be the venue of any action arising out of this Lease. Although the printed provisions of this Lease were prepared and drawn by Landlord, this Lease shall not be construed either for or against Landlord or Tenant, but its construction shall be at all times in accord with the general tenor of the language so as to reach a fair and equitable result.

29.6 Non-Waiver - Landlord's Acceptance of Payment. A waiver of any breach or default shall not be a waiver of any other breach or default. Landlord's consent to or approval of any act by Tenant requiring Landlord's consent or approval shall not be deemed to waive or render unnecessary Landlord's consent to or approval of any subsequent similar act by Tenant. The acceptance by Landlord of any rental or other payments due hereunder with knowledge of the breach of any of the covenants of this Lease by Tenant shall not be construed as a waiver of any such breach. The acceptance at any time or times by Landlord of any sum less than that which is required to be paid by Tenant shall, unless Landlord specifically agrees otherwise in writing, be deemed to have been received only on account of the obligation for which it is paid, and shall not be deemed an accord and satisfaction notwithstanding any provisions to the contrary written on any check or contained in a letter of transmittal.

29.7 Force Majeure. Any prevention, delay or stoppage due to strikes, lockouts, labor disputes, acts of God, inability to obtain labor or materials or reasonable substitutes therefor, governmental restrictions, regulations or controls, enemy or hostile governmental action, riot, civil commotion, fire or other casualty, and other causes beyond the reasonable control of the party obligated to perform, shall excuse the performance by such party for a period equal to any such prevention, delay or stoppage except that subject to the provisions of Subsection 10.4, Tenant's obligations to pay rent, additional rent and any other sums or charges pursuant to this Lease shall not be affected thereby so long as the Premises have been delivered to Tenant.

29.8 "Landlord" - Release. The term "Landlord" as used in this Lease, so far as covenants or obligations on the part

of Landlord are concerned, shall be limited to mean and include only the owner or owners at the time in question of the Premises; and in the event of any transfer or transfers of title thereto, Landlord herein named (and in case of any subsequent transfers or conveyances, the then grantor) shall be automatically freed and relieved from and after the date of such transfer or conveyance of all liability as respects the performance of any covenants or obligations hereunder on the part of Landlord to be performed thereafter, provided nothing herein shall be interpreted to affect the obligations of Landlord under the Agreement of Purchase and Sale of Assets.

29.9 Financial Statements. Upon Landlord's written request, Tenant shall promptly furnish to Landlord, from time to time, financial statements reflecting Tenant's current financial condition.

29.10 Time for Performance. Time is of the essence with respect to the performance of each of the covenants and agreements of this Lease.

29.11 Binding Effect. Each and all of the provisions of this Lease shall be binding upon and inure to the benefit of the parties hereto and (except as set forth in Subsection 29.8 above and as otherwise specifically provided elsewhere in this Lease), their respective personal representatives, successors and assigns, subject at all times to all provisions and restrictions elsewhere in this Lease respecting the assignment, transfer, encumbering or subletting of all or any part of the Premises or Tenant's interest in this Lease.

29.12 Captions. The captions shown in this Lease are for convenience or reference only, and shall not, in any manner, be utilized to construe the scope or the intent of any provisions thereof.

29.13 Recordation. Tenant shall not record this Lease nor any short form memorandum thereof without Landlord's written consent.

29.14 Conditions. All agreements herein by Tenant, whether expressed as covenants or conditions, shall be deemed to be conditions for the purpose of this Lease.

29.15 Number and Gender. Unless some other meaning and intent are apparent from the context, the plural shall include the singular and vice versa; masculine, feminine and neuter words shall be used interchangeably.

29.16 Appointment of Landlord as Agent. It is understood and agreed between the parties that Tenant's failure to pay when due all obligations owing to the State of Washington, including but not limited to, employment security taxes, sales taxes, business and occupation taxes, and any and all obligations owing to the Department of Labor and Industries, may, in certain instances, result in liability for the same to the Landlord not contemplated under the terms of this Lease. In consideration thereof, Tenant consents to and does hereby appoint Landlord to act as Tenant's agent and attorney in fact to obtain from the State of Washington or any agency thereof any and all relevant information regarding Tenant's taxpayer status, specifically including the amounts of any delinquencies. This power of attorney shall take effect immediately and shall remain in full force and effect throughout the term of this Lease, including any extension periods, and shall terminate no earlier than one (1) year from the lease termination date.

ARTICLE 30. RIGHT OF FIRST OFFER TO PURCHASE

In the event that Landlord shall desire to sell the Premises, Landlord shall first offer the same to Tenant, giving it written notice of all material terms and conditions on which the Landlord is willing to sell the Premises, including the purchase price, payment terms and security, if any, and shall fully and completely set forth any and all additional terms of the proposed sale. The terms shall be in cash or cash equivalent, so as to allow for a response thereto by the Tenant.

The Tenant shall have thirty (30) days within which to accept the Landlord's offer to sell and to tender performance as to all, but not less than all, of the Premises. The Tenant's response to the offer shall be in writing and delivered to the Landlord.

In the event Tenant rejects or fails to exercise the Landlord's offer, the Landlord shall be entitled (but shall not be required) to sell the Premises to any third party, subject, however, to this Lease; provided, however, that Landlord shall not enter into any agreement to sell the Premises on economic terms which are materially more favorable than those offered to Tenant without first again offering the Premises to Tenant. Economic terms which are more favorable by ten percent (10%) or more than those offered to Tenant shall be deemed "materially more favorable."

WITNESS the signatures of the parties hereto, this 15th day of MARCH, 1996.

LANDLORD:

Herman Trotsky
HERMAN TROTSKY
Jacqueline Trotsky by
Herman Trotsky as
attorney in fact
JACQUAELINE TROTSKY

TENANT:

CDRCo, NW, LLC, a California limited liability company

By [Signature]
Its MANAGERS

//

//

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I CERTIFY that I know or have satisfactory evidence that
HERMAN TROTSKY is the person who appeared before me, and said
person acknowledged that he signed this instrument and
acknowledged it to be his free and voluntary act for the uses
and purposes mentioned in the instrument.

DATED: March 15, 1996

LYNDA A. MOYNIHAN
STATE OF WASHINGTON
NOTARY---PUBLIC
MY COMMISSION EXPIRES 2-25-00

Lynda A. Moynihan
(Print Name)
NOTARY PUBLIC in and for the
State of Washington, residing
at Seattle
My appointment expires 2-25-00

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

HERMAN TROTSKY
AS *Wife* *in fact* I CERTIFY that I know or have satisfactory evidence that
JACQUALINE TROTSKY is the person who appeared before me, and
said person acknowledged that she signed this instrument and
acknowledged it to be ~~his~~ free and voluntary act for the uses
and purposes mentioned in the instrument.

DATED: March 15, 1996

LYNDA A. MOYNIHAN
STATE OF WASHINGTON
NOTARY---PUBLIC
MY COMMISSION EXPIRES 2-25-00

Lynda A. Moynihan
(Print Name)
NOTARY PUBLIC in and for the
State of Washington, residing
at Seattle
My appointment expires 2-25-00

STATE OF WASHINGTON)
) ss.
COUNTY OF KING)

I CERTIFY that I know or have satisfactory evidence that
A. JOSEPH CRUE & PHILLIP FREEMAN is the person who appeared before
me, and acknowledged that they signed this instrument, on oath
stated that they were authorized to execute the instrument, and
acknowledged it as the HAWAIIAN of CDRCo,
NW, LLC, to be the free and voluntary act of such party for
the uses and purposes mentioned in the instrument.

DATED: March 15, 1996

LYNDA A. MOYNIHAN
STATE OF WASHINGTON
NOTARY---PUBLIC
MY COMMISSION EXPIRES 2-25-00

Lynda A. Moynihan
(Print Name)
NOTARY PUBLIC in and for the
State of Washington, residing
at Seattle
My appointment expires 2-25-00

C:\BIO\BANK\WYCOOPER\LEASEAGRE 3/14/96

That portion of Section 29, Township 24 North, Range 4 East,
W.M. described as follows:

PARCEL 1:

Beginning at the intersection of the West line of said
Section 29 and the Southerly line of Seaport Addition
to the City of Seattle, as per plat recorded in
Volume 19 of Plats, page 60, records of King County;
thence South $1^{\circ}11'20''$ West along said West line of Section 29
69.27 feet to the West one-quarter corner of said Section 29
thence continuing along said West line of Section 29 South
 $3^{\circ}40'43''$ West 178.39 feet to an intersection with the Eastern
margin of the 1st Avenue South Interchange as condemned by
King County Superior Court Cause Nos. 460720 and 463381;
thence South $16^{\circ}19'12''$ East along said Easterly margin 178.39
feet to an intersection with a line which is parallel
to and 410 feet Southerly as measured at right angles from
the Southerly line of said Seaport Addition;
thence North $66^{\circ}02'59''$ East along said parallel line 549.95
feet to an intersection with the Westerly line of Portland
and Puget Sound Railway Addition, as per plat recorded
in Volume 5 of Plats, on page 47, records of King County;
thence North $32^{\circ}00'48''$ along said Westerly line and along
the extension of said Westerly line to the line of
ordinary high tide, on the left bank of the Duwamish
River;
thence Westerly and Northwesterly along said ordinary high
tide line to its intersection with the Southerly line
of said Seaport Addition;
thence South $26^{\circ}02'59''$ West along said Southerly line, to the
point of beginning

PARCEL 11:

That portion of the bed of the Duwamish River lying between
the ordinary high tide line and the Government meander
line as recorded by Auditor's File No. 1309052, adjoining
and in front of the above described Parcel 1.

PARCEL 111:

Beginning at the Northwesterly corner of Block 1 of
Portland and Puget Sound Railway Addition, as per
plat recorded in Volume 5 of Plats, page 74, records of
King County, Washington;
thence Northwesterly along the Northwesterly production of the
Southwesterly line of said Block to the Government meander line
in the Duwamish River;
thence Easterly along said meander line, to the Southwesterly
margin of the right-of-way of Commercial Waterway District No.
thence Southeasterly along said Southwesterly margin,
to the Northerly line of said Block 1;
thence Westerly along said Northerly line to the
point of beginning;

PARCEL IV

Lots 1, 2, 3, 4, 5 and 6 in Block 1 of Portland and Puget
Sound Railway Addition, as per plat recorded in Volume
5 of Plats, page 74, records of King County;

ALL Situate in the City of Seattle, County of King,
State of Washington.

EXHIBIT A

ADDENDUM TO LEASE AGREEMENT

THIS ADDENDUM TO LEASE AGREEMENT (the "Addendum") is made effective the 1st day of March, 2006, by and between HERMAN TROTSKY AND JACQUALINE TROTSKY, husband and wife (collectively, "Landlord") and INDUSTRIAL CONTAINER SERVICES - WA, LLC, a Delaware limited liability company (successor in interest to CDRCo, NE, LLC, a California limited liability company) ("Tenant").

RECITALS

WHEREAS, Landlord is landlord and Tenant is tenant under the terms of that particular "Lease Agreement" dated as of March 15, 1996 (the "Lease") of real property premises (the "Premises") legally described in Exhibit A hereto;

WHEREAS, Tenant desires to exercise the first of its Renewal Terms pursuant to Section 2.2 of the Lease; and

WHEREAS, in conjunction with Tenant's exercise of its first Renewal Term, Landlord and Tenant have agreed to amend the terms of the Lease as set forth herein;

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained, the sufficiencies of which being hereby acknowledged, the parties hereto agree as follows:

1. ADDENDUM. In the event of any conflict between this Addendum and the Lease, the provisions of this Addendum shall prevail. Any capitalized terms not defined herein shall have the same meaning as set forth in the Lease.

2. TENANT. All reference in the Lease to "Tenant" shall be amended by deleting any and all reference to CDRCo, NE, LLC, a California limited liability company, and replacing it with CDRCo's successor in interest, INDUSTRIAL CONTAINER SERVICES - WA, LLC, a Delaware limited liability company.

3. RENEWAL TERM. Tenant has properly exercised the first of its two (2) Renewal Terms as set forth in Section 2.2 of the Lease. The first Renewal Term shall commence on March 1, 2006 (the "Renewal Term Commencement Date") and shall terminate at 11:59 p.m. on February 28, 2011. The parties agree that Minimum Monthly Rent for the Renewal Term shall be as set forth in Section 4 of this Addendum.

4. MINIMUM RENT. Article 3 of the Lease is hereby amended as follows:

(a) Minimum Monthly Rent. Effective March 1, 2006, Section 3.1 of the Lease is hereby deleted in its entirety and replaced as follows:

Commencing on the Renewal Term Commencement Date, Tenant covenants and agrees to pay without offset or deduction of any kind minimum monthly rent in the initial sum of Twenty Four Thousand One Hundred and No/100 U.S. Dollars (\$24,100.00) in advance at Landlord's address on the first day of each calendar month thereafter during the calendar year 2006. Landlord's address shall be as set forth in Article 25 or as from time to time designated by Landlord to Tenant in writing.

(b) Cost of Living. Section 3.2 of the Lease shall be amended as follows:

(i) Effective March 1, 2006, the words "Rent Commencement Date" in the initial paragraph shall be deleted and replaced with "Renewal Term Commencement Date"; and

(ii) Effective March 1, 2006, the last sentence of Section 3.2(c) shall be deleted in its entirety and replaced with the following: "In no event, however, shall the minimum monthly rent for any period be less than the minimum monthly rent last in effect."

5. HAZARDOUS SUBSTANCES. Section 4.5(a) of the Lease is hereby deleted in its entirety and replaced with the following:

Tenant shall not cause or permit any hazardous substance to be used, stored, generated or disposed of on or in the Premises by Tenant, Tenant's agents, employees, contractors or invitees without first obtaining Landlord's written consent, except to the extent the same are used in the ordinary course of Tenant's permitted business and in accordance with all laws and regulations governing said use. If hazardous substances are used, stored, generated or disposed of on or in the Premises except as permitted above, or if the Premises or any neighboring properties become contaminated in any manner for which Tenant is legally liable, Tenant shall indemnify and hold harmless the Landlord from any and all claims, damages, fines, judgments, penalties, costs, liabilities or losses (including, without limitation, a decrease in value of the Premises and any neighboring properties, damages caused by loss or restriction of rentable or usable space, any damages caused by adverse impact on marketing of the Premises or any neighboring properties, and any and all sums paid for settlement of claims, attorneys' fees, consultant and expert fees) arising during or after the lease term and arising as a result of that contamination by Tenant. This indemnification includes, without limitation, any and all costs incurred because of any investigation of the site (including, without limitation, the Premises and any neighboring properties) or any cleanup, removal or restoration mandated by a federal, state or local agency or

political subdivision. Without limitation of the foregoing, if Tenant causes or permits the presence of any hazardous substance on the Premises that results in contamination, Tenant shall promptly, at its sole expense, take any and all necessary actions to return the Premises and any neighboring properties to the condition existing prior to the presence of any such hazardous substance on the Premises or such neighboring properties. Tenant shall first obtain Landlord's approval for any such remedial action.

6. FORCE MAJEURE. The first sentence of Section 29.7 is hereby amended by the deletion of the period after the word "strikes" in the second line down, and replacing said period with a comma.

7. NO FURTHER AMENDMENTS. Except as amended hereby, the Lease remains in full force and effect in accordance with its terms, and the parties hereby confirm all of the terms set forth in the Lease as amended hereby.

8. FACSIMILE/COUNTERPART. This Addendum may be executed in any number of counterparts and all counterparts shall be deemed to constitute a single agreement. The execution and delivery of one counterpart by any party shall have the same force and effect as if the party had signed all other counterparts. Delivery by facsimile of an executed counterpart shall have the same effect as physical delivery of an original.

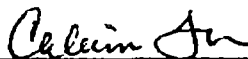
AGREED AND ACCEPTED as of the date first set forth herein.

LANDLORD:

TENANT:

INDUSTRIAL CONTAINER
SERVICES - WA, LLC


HERMAN TROTSKY

By: 
Its: President


JACQUALINE TROTSKY

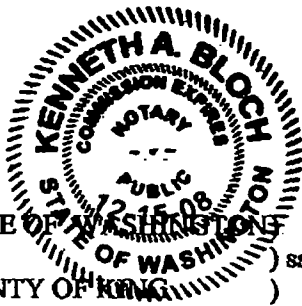
STATE OF WASHINGTON)

) ss:

COUNTY OF KING)

I, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that HERMAN TROTSKY personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he executed the foregoing instrument on behalf of himself by subscribing his name as a free and voluntary act for the uses and purposes therein set forth.

GIVEN under my hand and official seal this 21 day of October, 2005.



STATE OF WASHINGTON)
COUNTY OF KING) ss:

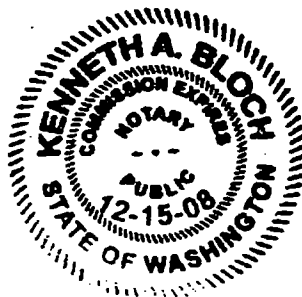
Kenneth A. Bloch
(Print Name)

NOTARY PUBLIC in and for the
State of Washington, residing
at Belleuve

My appointment expires 12/15/08

I, the undersigned, a Notary Public, in and for the County and State aforesaid, do hereby certify that JACQUALINE TROTSKY personally known to me to be the same person whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that she executed the foregoing instrument on behalf of herself by subscribing her name as a free and voluntary act for the uses and purposes therein set forth.

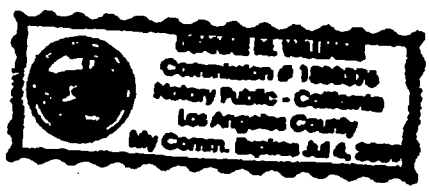
GIVEN under my hand and official seal this 21 day of October, 2005.



STATE OF California)
COUNTY OF Los Angeles) ss

I certify that I know or have satisfactory evidence that Celina Lee is the person who appeared before me, and said person acknowledged that he signed this instrument, on oath stated that he was authorized to execute the instrument, and acknowledged it as the ___ of INDUSTRIAL CONTAINER SERVICES - WA, LLC, a Delaware limited liability company, to be the free and voluntary act of such party for the uses and purposes mentioned in the instrument.

DATED October 17 2005



Deanne M. Williams
[print name] DEANNE M. WILLIAMS
NOTARY PUBLIC in and for the State
of Washington, residing at 1547 GREENWOOD, MONTEBELLO, CA
My appointment expires July 4, 2009

That portion of Section 29, Township 24 North, Range 4 East, W.M. described as follows:

PARCEL 1:

Beginning at the intersection of the West line of said Section 29 and the Southerly line of Seaport Addition to the City of Seattle, as per plat recorded in Volume 19 of Plats, page 60, records of King County; thence South $1^{\circ}11'20''$ West along said West line of Section 29 69.27 feet to the West one-quarter corner of said Section 29; thence continuing along said West line of Section 29 South $3^{\circ}49'43''$ West 178.39 feet to an intersection with the Easterly margin of the 1st Avenue South Interchange as condemned by King County Superior Court Cause Nos. 460720 and 465381; thence South $16^{\circ}13'12''$ East along said Easterly margin 178.39 feet to an intersection with a line which is parallel to and 420 feet Southerly as measured at right angles from the Southerly line of said Seaport Addition; thence North $86^{\circ}02'59''$ East along said parallel line 545.95 feet to an intersection with the Westerly line of Portland and Puget Sound Railway Addition, as per plat recorded in Volume 5 of Plats, on page 47, records of King County; thence North $32^{\circ}00'43''$ along said Westerly line and along the extension of said Westerly line to the line of ordinary high tide, on the left bank of the Duwamish River; thence Westerly and Northwesterly along said ordinary high tide line to its intersection with the Southerly line of said Seaport Addition; thence South $26^{\circ}02'59''$ West along said Southerly line, to the point of beginning

PARCEL 11:

That portion of the bed of the Duwamish River lying between the ordinary high tide line and the Government meander line as recorded by Auditor's File No. 1309052, adjoining and in front of the above described Parcel 1.

PARCEL 111:

Beginning at the Northwesterly corner of Block 1 of Portland and Puget Sound Railway Addition, as per plat recorded in Volume 5 of Plats, page 74, records of King County, Washington; thence Northwesterly along the Northwesterly production of the Southwesterly line of said Block to the Government meander line in the Duwamish River; thence Easterly along said meander line, to the Southwesterly margin of the right-of-way of Commercial Waterway District No. 1; thence Southeasterly along said Southwesterly margin, to the Northerly line of said Block 1; thence Westerly along said Northerly line to the point of beginning;

PARCEL IV

Lots 1, 2, 3, 4, 5 and 6 in Block 1 of Portland and Puget Sound Railway Addition, as per plat recorded in Volume 5 of Plats, page 74, records of King County;

ALL Situate in the City of Seattle, County of King, State of Washington.

EXHIBIT A

THE LAND REFERRED TO IN THIS COMMITMENT IS SITUATED IN THE STATE OF WASHINGTON, COUNTY OF KING AND IS DESCRIBED AS FOLLOWS:

THAT PORTION OF GOVERNMENT LOT 8, SECTION 29, AND OF THE NORTHEAST QUARTER OF THE SOUTHEAST QUARTER OF SECTION 30, ALL IN TOWNSHIP 24 NORTH, RANGE 4 EAST, W.M., IN KING COUNTY, WASHINGTON, DESCRIBED AS FOLLOWS:

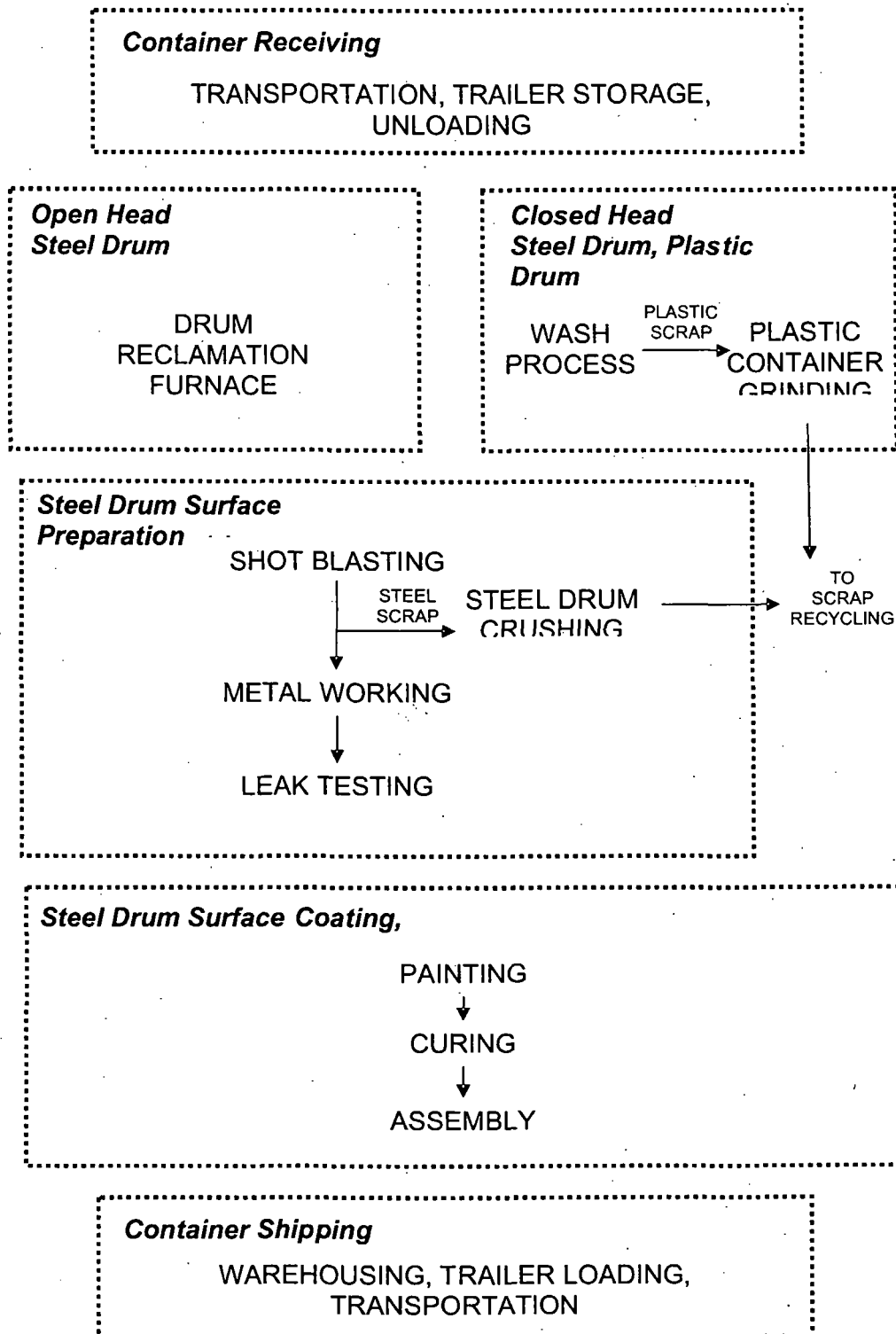
BEGINNING AT THE QUARTER SECTION CORNER IN THE SOUTH LINE OF SAID SECTION 30;
THENCE NORTH 1°45'59" EAST ALONG THE NORTH AND SOUTH CENTER LINE OF SAID SECTION, 899.58 FEET;
THENCE NORTH 73°00'00" EAST 1403.16 FEET;
THENCE NORTH 67°30'00" EAST TO AN INTERSECTION WITH THE EAST LINE OF FIRST AVENUE SOUTH;
THENCE CONTINUING NORTH 67°30'00" EAST 769.130 FEET, MORE OR LESS, TO THE WESTERLY LINE OF PORTLAND AND PUGET SOUND RAILWAY ADDITION, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 5 OF PLATS, PAGE 74, RECORDS OF KING COUNTY, WASHINGTON;
THENCE NORTH 22°16'00" WEST ALONG SAID WESTERLY LINE 84.420 FEET TO THE TRUE POINT OF BEGINNING;
THENCE CONTINUING NORTH 22°16'00" WEST ALONG SAID WESTERLY LINE 13.453 FEET TO AN ANGLE POINT SAID LINE;
THENCE CONTINUING ALONG SAID WESTERLY LINE NORTH 33°16'01" WEST 103.910 FEET, MORE OR LESS, TO AN INTERSECTION WITH A LINE PARALLEL WITH AND 360 FEET SOUTHERLY OF "MEASURED AT RIGHT ANGLES" THE SOUTHERLY LINE OF SEAPORT ADDITION TO THE CITY OF SEATTLE, ACCORDING TO THE PLAT THEREOF RECORDED IN VOLUME 19 OF PLATS, PAGE 60, RECORDS OF KING COUNTY, WASHINGTON;
THENCE SOUTH 84°54'45" WEST ALONG SAID PARALLEL LINE, 619.102 FEET TO THE SAID EAST LINE OF FIRST AVENUE SOUTH;
THENCE SOUTH 0°01'21" EAST ALONG SAID EAST LINE, 208.444 FEET, MORE OR LESS, TO A POINT FROM WHICH THE TRUE POINT OF BEGINNING BEARS NORTH 76°24'51" EAST;
THENCE NORTH 76°24'51" EAST 698.215 FEET, MORE OR LESS, TO THE TRUE POINT OF BEGINNING;
EXCEPT THE NORTH 60 FEET THEREOF;
EXCEPT THAT PORTION CONDEMNED FOR PRIMARY STATE HIGHWAY NO. 1.

SITUATE IN THE COUNTY OF KING, STATE OF WASHINGTON.

EXHIBIT A

ATTACHMENT 2

PROCESS FLOW DIAGRAM



ATTACHMENT 3



King County

Wastewater Treatment Division

Industrial Waste Program

Department of Natural Resources and Parks

130 Nickerson Street, Suite 200

Seattle, WA 98109-1658

206-263-3000

206-263-3001 Fax

August 19, 2004

CERTIFIED MAIL

RETURN RECEIPT REQUESTED

Rick Cabuco

Industrial Container Services (ICS)

7152 First Avenue South

Seattle, WA 98108

Issuance of Revised Renewed Wastewater Discharge Permit No. 7130-03 to Industrial Container Services (ICS)

Dear Mr. Cabuco:

Enclosed you will find the revision of Permit No. 7130-03 that covers the wastewater discharge from the Industrial Container Services (ICS) facility located at 7152 First Avenue South, Seattle into the metropolitan sewer system. All discharges from this facility and actions and reports relating thereto shall be in accordance with the terms and conditions of this permit.

As you requested, this revision specifically addresses the frequency of self-monitoring for organic compounds from monthly to quarterly. This decrease in monitoring has been approved because of Industrial Container Services' excellent compliance record. Be advised that this revision will count as the one free revision of your permit.

Please keep in mind that an application for renewal of this permit shall be filed with King County no later than 180 days prior to the expiration of this permit.

If you have any questions, please contact Barbara Badger at (206) 263-3024.

Sincerely,

for Elsie Mulsizer
Program Manager
Industrial Waste Program

Enclosure

cc: Doug Knutson, Dept. of Ecology
Doug Hilderbrand, King County
Julia Mullin, Seattle Public Utilities

isc04revrenptl.doc



DELEGATION OF SIGNATORY AUTHORITY

Industrial Waste's governing ordinance requires that all wastewater discharge permit applications and user (self-monitoring) reports be signed by an "authorized representative" of the industrial user. "Authorized representative" is defined by King County Code 28.82 as follows:

"Authorized Representative of Industrial User" may be:

- 1. A principal executive officer of at least the level of vice president, if the industrial user is a corporation;*
- 2. A general partner or proprietor if the Industrial User is a partnership or proprietorship, respectively;*
- 3. A director or highest official appointed or designated to oversee the operation and performance of the industry if the Industrial User is a government agency;*
- 4. A duly authorized representative of the individual designated above if such representative is responsible for the overall operation of the facilities from which the indirect discharge originates.*

Signatory authority to sign reports and applications that are submitted to Industrial Waste may be delegated to an individual or a position (i.e. Plant Manager, Supervisor, Manager, etc.). In order for us to have complete and accurate information, **please complete the form below and submit it to King County Industrial Waste, 130 Nickerson Street, Suite 200, Seattle, Washington 98109-1658.** You may also submit this information on your own letterhead. This delegation of signatory authority may be amended by the industrial user at any time by providing Industrial Waste with a new delegation of signatory authority form or by letter.

COMPANY NAME	<u>Industrial Container Services</u> company name <u>7130-03 and subsequent</u> permit/discharge authorization number
NAMES OR POSITION OF DELEGATED AUTHORIZED REPRESENTATIVES	<u>Rick CABUCO - Facility GEN. MGR</u> name or position <u>Jim FUNDERBURG - MAINTENANCE MGR.</u> name or position name or position
NAME, TITLE, AND SIGNATURE OF PERSON AUTHORIZING THIS DELEGATION OF AUTHORITY	<u>CALVIN LEE</u> name <u>PRESIDENT AND CEO</u> title <u>Calvin Lee</u> signature <u>3/21/06</u> date

Permit No.: 7130-03
Reissuance Date: August 19, 2004
Effective Date: October 3, 2004
Expiration Date: October 3, 2009



King County

WASTE DISCHARGE PERMIT

Department of Natural Resources and Parks
Industrial Waste Program
130 Nickerson Street, Suite 200
Seattle, Washington 98109-1658

In accordance with the provisions of Chapter 90.48 RCW as amended,
Public Law 92-500, and King County Code 28.84.060,
a Waste Discharge Permit is issued to:

INDUSTRIAL CONTAINER SERVICES

Plant Location: 7152 First Avenue South
Seattle, WA 98108

Business Hours Phone: 206-763-2345

Emergency (24-Hour) Phone: 206-723-6609

Mailing Address: Same as above.

Permission is hereby granted to discharge industrial wastewater from the above-identified facility into the King County sewerage system in accordance with the effluent limitations and monitoring requirements set forth in this permit.

This permit is based on information provided in the permit application, which together with the following conditions and requirements are considered part of the permit. All requirements and ordinances of King County pertaining to the discharge of wastes into the King County sewerage system are hereby made a condition of this permit. All discharges and activities authorized herein shall be consistent with the terms and conditions of this permit.

This permit is not transferable without authorization from King County. Failure to provide advance notice of a transfer renders this waste discharge permit voidable on the date of facility transfer.

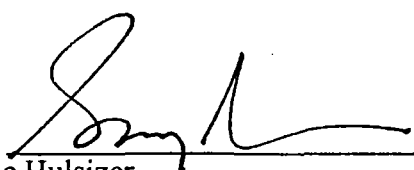
By 
FOR Elsie Hulsizer
Program Manager
Industrial Waste Program

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- S2 Permit Summary and Company Identification
- S3 Special Conditions or Compliance Schedule
- S4 Effluent Limitations and Self-Monitoring Requirements
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- S6 Notification Requirements
- S7 Monitoring and Record Keeping
- S8 Operations and Maintenance
- S9 General Conditions
- S10 Washington Department of Ecology Conditions
- S11 Organic Chemical Definition and Reporting Requirements

Company Fact Sheet

Glossary

King County Code – Title 28

King County Local Limits

S1. EMERGENCY CONTACTS

KING COUNTY

Industrial Waste Program (8:00 a.m.-5:00 p.m., weekdays): 206-263-3000

Barbara Badger, Industrial Waste Investigator: 206-263-3024

Elsie Hulsizer, Program Manager, Industrial Waste: 206-263-3010

Your emergency contact after 5:00 p.m. weekdays and on weekends is:

West Point Treatment Plant 206-263-3801

If unable to reach anyone at this number call:

South Treatment Plant: 206-684-2404

WASHINGTON STATE DEPARTMENT OF ECOLOGY

24-Hour Emergency Spill Phone No.: 425-649-7000

S2. PERMIT SUMMARY AND COMPANY IDENTIFICATION

A. Summary Information

The following industrial waste discharge sites have been identified for this facility:

<i>Sample Site No.</i>	<i>Limit Type</i>	<i>Daily Maximum Discharge Volume (gpd)</i>	<i>Description</i>
A4073	King County Local Limits	25,000	Horizontal discharge pipe located on the NW corner of "inside wash" building (aperture and sample tap)

Effluent limitations and self-monitoring requirements for this sample site are detailed in S4.A. of this permit

B. Reports

<i>Report Name</i>	<i>Section(s)</i>	<i>Due Date</i>
Monthly self-monitoring reports	S4.A	15 th day of each month
14-Day Report: Spill, Upset, Discharge Violation or Permit Violation.	S4.D	Within 14 days after a spill, upset, or violation becomes known.
Installation/Upgrade of Pretreatment System Report	S6.C	Prior to installation or upgrade.
Slug/Spill Control Plan	S6.A	As requested by King County.

METALS

C. Major Changes in the Renewed Permit

This revised renewed permit contains the following change since last issuance:

1. Organic Compounds (VOA and BNA) sampling requirements have been changed from monthly to quarterly per request of Permittee.

D. Company Identification

SIC Code No.: 7699

Hazardous Waste Generator No.: WAD 0000 66084

Industry Type: Steel/plastic drum and intermediate bulk container (IBC) reconditioning and steel drum manufacturing.

S3. SPECIAL CONDITIONS OR COMPLIANCE SCHEDULE

1. Industrial Container Services is prohibited from cleaning drums and IBC (intermediate bulk container) plastic totes that have contained the following substances (unless they are certified as having been triple rinsed in accordance with 40CFR 261.7):
 - Pesticides
 - Herbicides
 - Cyanide compounds
 - Heavy metal-bearing materials or wastes that exceed the metals effluent limitations established in this permit.
2. Industrial Container Services is authorized to treat and discharge only wastes generated by cleaning empty drums and IBC plastic totes. A drum or IBC plastic tote is "empty" if:
 - All residues that can be removed by commonly employed methods (e.g., pouring, pumping, aspirating, etc.) have been removed.
 - No more than 2.5 centimeters (one inch) of residue remains on the bottom of the container; or
 - No more than 3% by weight of the total capacity of the container remains in the container if the container is less than or equal to 110 gallons in size, or no more than 0.3% by weight of the total capacity of the container remains in the container if the container is greater than 110 gallons in size.

S4. EFFLUENT LIMITATIONS & SELF-MONITORING REQUIREMENTS

A. Effluent Limitations and Self-Monitoring Requirements:

1. The Permittee shall comply with the following discharge limits and monitor its discharges to the King County sewerage system as specified below.

<i>Sample Site No.</i>	<i>Limit Type</i>	<i>Sample Site Description</i>			
A4073	King County Local Limits	Opening on top of horizontal discharge pipe located on the NW corner of "inside wash" building (aperture and sample top).			
<i>Parameter</i>	<i>Daily Average (mg/L)</i>	<i>Instantaneous Maximum (mg/L)</i>	<i>Maximum Loading* (lb/day)</i>	<i>Sampling Frequency</i>	<i>Sample Type</i>
Arsenic (As) - <i>N_o</i>	1.0	4.0	0.21		
Cadmium (Cd)	0.5	0.6	0.10	Monthly	Composite
Chromium (Cr)	2.75	5.0	0.57	Monthly	Composite
Copper (Cu)	3.0	8.0	0.63	Monthly	Composite
Lead (Pb)	2.0	4.0	0.42	Monthly	Composite
Mercury (Hg) - <i>N_o</i>	0.1	0.2	0.02		
Nickel (Ni)	2.5	5.0	0.52	Monthly	Composite
Silver (Ag) - <i>N_o</i>	1.0	3.0	0.21		
Zinc (Zn)	5.0	10.0	1.04	Monthly	Composite
Acetone	See S11 for Screening Levels.			Quarterly	Composite
Benzene				Quarterly	Composite
Chloroform				Quarterly	Composite
Ethylbenzene				Quarterly	Composite
Methylene Chloride				Quarterly	Composite
Methyl ethyl ketone				Quarterly	Composite
Toluene				Quarterly	Composite
Bis(2-Ethylhexyl) Phthalate				Quarterly	Composite
Di-N-Butyl Phthalate				Quarterly	Composite
Di-N-Octyl Phthalate				Quarterly	Composite
Dibenzo(a,h)anthracene				Quarterly	Composite
Diethyl Phthalate				Quarterly	Composite
Dimethyl Phthalate				Quarterly	Composite
Phenol				Quarterly	Composite
Xylene				Quarterly	Composite
Cyanide Amenable (CN)	2.0	3.0	NA		
Nonpolar FOG	100	NA	NA	Weekly	Three grabs
<i>pH (s.u.)</i>	<i>Average Minimum</i>	<i>Minimum</i>	<i>Maximum</i>	Three times per week	In-line meter
	5.5	5.0	12.0		
<i>Daily Maximum Discharge Volume (gpd)</i>	<i>Industrial</i>	<i>Other</i>	<i>Total</i>	Weekly	In-line meter
	25,000	-0-	25,000		

* Applicable poundage limit for each parameter equals the daily average concentration in mg/L, multiplied by the flow in million gallons per day, multiplied by 8.34. A maximum loading of 0.01 is listed whenever the calculated poundage limit is 0.01 or less.

2. Self-monitoring report of all required and non-required sampling to be filed no later than the 15th day of the time period following the sample collection (i.e., the 15th day of the following month for monthly, weekly, daily samples; January 15, April 15, July 15, and October 15 for quarterly reports; January 15 for annual reports). The Permittee shall use the King County self-monitoring form to submit results unless an alternate form is approved by King County. If no discharge has occurred during the sampling time period, the report shall be submitted notifying King County that no discharge has occurred.
3. The total volume discharged for any processing day shall be calculated by reading the volume passing through meter numbers B527925 and 57765777 or shall be estimated using another King County approved method. The total volume for each processing day on which metal samples are collected shall be reported on self-monitoring reports. The total monthly discharge volume shall be reported on self-monitoring reports.
4. Volume and waste type from all batch discharges shall be recorded on the self-monitoring form.
5. For self-monitoring requirements, a composite sample shall consist of four or more grab samples of equal volume collected at least 15 minutes apart and no more than 2 hours apart throughout the processing day from a well-mixed effluent chamber.
6. The three nonpolar fats, oils, and grease (FOG) grab samples shall be of equal volume, collected at least 5 minutes apart, and analyzed separately. The average of the concentrations of the three samples may be reported as Total FOG unless the average value is 100 mg/L or greater, in which case the concentration of nonpolar FOG must be reported.
7. Discharges of more than 50 gallons per day of caustic solutions equivalent to more than five percent (5%) NaOH by weight or greater than pH 12 are prohibited.
8. Should an automatic pH recording system fail, the Permittee shall manually check the pH at least four times per hour. Any discharge without a pH record shall be considered a violation of this permit.

B. Non-Required Self-Monitoring

1. All sampling data collected by the Permittee and analyzed using procedures approved by 40 CFR 136 or approved alternatives shall be submitted to King County whether required as part of this permit or done voluntarily by the Permittee.

C. Violation Criteria

1. Wastewater from regulated processes shall comply with the effluent limitations prior to dilution with other wastewaters unless a fixed alternative discharge limit is approved by King County. (See Section S8.C.4 and the glossary section at the end of this document for a definition of and further information about dilution.)
2. A review of any violation will include consideration of testing accuracy prior to enforcement action.
3. The more restrictive limitation (concentration or mass) shall prevail for determining violations.
4. Daily Average and Maximum Monthly Average Limits apply to composite samples and to grab samples from short-term batch discharges. (See the glossary section for a definition of composite and grab sample.)
5. Instantaneous Maximum Limits apply to grab samples, with the exception of grab samples from short-term batch discharges.
6. The instantaneous minimum pH limit is violated whenever any single grab sample or any instantaneous recording is less than pH 5.0. The daily minimum pH limit is violated whenever any continuous recording of 15 minutes or longer remains below pH 5.5 or when each pH value of four consecutive grab samples collected at 15-minute intervals or longer within a 24-hour period remains below pH 5.5.
7. The limit for nonpolar FOG (mineral origin) is violated when the arithmetic mean of the concentration of three grab samples (taken no more frequently than in five minute intervals) exceeds 100 mg/L.

D. Response When Violations Are Detected

1. When monitoring data shows a violation, the Permittee shall:
 - a. Take immediate action to stop the violation and notify King County Industrial Waste within 24 hours of learning of the violation.
 - b. Collect a sample and submit new data to King County within 14 days of becoming aware of the violation.
 - c. Submit a written report within 14 days of learning of the violation (*14-Day Report*). The report should explain the cause of the violation and corrective actions taken to respond to the violation and ensure ongoing compliance.
2. In the event the Permittee is unable to comply with any of the conditions of this permit because of a breakdown of equipment or facilities, an accident caused by human error, negligence, or any other cause, such as an act of nature, the Permittee shall:
 - a. Take immediate action to stop, contain, and clean up the unauthorized discharges and correct the problem.

- b. Immediately notify the emergency King County contact in Section S1 so steps can be taken to prevent damage to the sewerage system.
 - c. Submit a written report within 14 days of the event (*14-Day Report*) describing the breakdown, the actual quantity and quality of resulting waste discharged, corrective action taken, and the steps taken to prevent a recurrence.
3. Whenever an effluent check shows a pH violation, as defined in King County Code 28.84.060.N "Violations," the Permittee shall take immediate steps to bring the discharge back into compliance. If this is not possible, the Permittee shall cease discharge.
 4. Compliance with these requirements does not relieve the Permittee from responsibility to maintain continuous compliance with the conditions of this permit or the resulting liability for failure to comply.

E. Limitations Applicable to All Sites

1. General

The Permittee's discharge shall not interfere with the operation of the King County sewerage system, cause King County to exceed its NPDES permit limits, or endanger local utility or King County sewer workers. (See the glossary section for a definition of interference.)

The Permittee's discharge shall not violate any discharge standard, limitation, or specific prohibition of King County Code 28.84.060 or local discharge limits applicable on the date of discharge. (See Section 28.84.060.D-F of King County Code.)

Prohibitions previously referenced include, but are not limited to, substances causing fire or explosion hazard, flow obstruction, excess oxygen demand, and toxic vapors.

Limitations listed in S4 include, but are not limited to, restrictions on settleable solids, organic compounds, hydrogen sulfide, and polar FOG.

2. Organic Compounds

No person shall discharge any organic pollutants that result in the presence of toxic gases, vapors, or fumes within a public or private sewer or treatment works in a quantity that may cause acute worker health and safety problems.

Organic pollutants subject to this restriction include, but are not limited to any organic compound listed in 40 CFR 433.11 (e) Total Toxic Organics (TTO) definition, acetone, 2-butanone (MEK), 4-methyl-2-pentanone (MIBK), and xylenes.

Dischargers are required to implement good "housekeeping" and best management practices in order to prevent the discharge of a concentrated form of any of the preceding organic pollutants.

F. Responsibility for Compliance

It is the responsibility of the Permittee to ensure that all effluent limitations of this permit are met whether or not self-monitoring for the parameter is required.

S5. SAMPLE SITE ACCESS AND IDENTIFICATION

- A. Unobstructed access to sample sites shall be available to authorized King County personnel during normal operating hours. The Permittee shall be responsible for providing alternate sample sites in the event of obstruction of access or upon evidence of tampering with the monitoring equipment.
- B. The Permittee shall allow King County to permanently label the sample sites used to collect wastewater samples.
- C. The Permittee shall at all reasonable times, allow authorized representatives of King County to enter, inspect, and sample as specified in King County Code 28.84.060.L, "Inspection and Sampling of Industrial Users."

S6. NOTIFICATION REQUIREMENTS

A. Spills and Slug Discharges

1. The Permittee shall notify King County Industrial Waste immediately in the event of a spill or slug discharge to the sanitary sewer. (See the glossary section for a definition of slug discharge and Section S8.B for spill and slug discharge control procedures.)
2. King County will evaluate the Permittee every two years to determine whether they need a plan (*Slug/Spill Control Plan*) to control slug discharges.

B. Changes In Discharge Characteristics

The Permittee shall inform King County Industrial Waste prior to any facility or manufacturing changes that will result in the:

1. Introduction of new wastewater pollutants.
2. Significant alteration in the volume (> 20% increase from permit application) or character of the pollutants discharged to the King County sewerage system.
3. Discharge of wastestreams not listed in the permit application.
4. Addition of a new point of discharge or a new chemical, process, product, manufacturing line, or waste processing activity.
5. No change shall be made until plans have been approved and either written permission or a new or modified permit has been received. In no case are any changes permitted that will cause violation of the effluent limitations specified herein.

C. Installation/Upgrade of Pretreatment System

A Professional Engineer's report per WAC 173-240 must be approved prior to installation or upgrade of pretreatment system.

D. Hazardous Wastes

Within 180 days following commencement of discharge or permit issuance, whichever is later, the Permittee must notify King County Industrial Waste, the U.S. Environmental Protection Agency, and the Washington State Department of Ecology of any discharge of a listed or characteristic RCRA hazardous waste. Identifying the listed or characteristic RCRA hazardous wastes on the Permittee's wastewater discharge permit application serves as notice to King County. This is a one-time notification requirement. The contents of the notification may vary according to the quantity of waste discharged. (See "Notification of the Discharge of Hazardous Wastes" in King County Code 28.84.060.)

Whenever the U.S. Environmental Protection Agency publishes new RCRA rules identifying additional hazardous wastes or new characteristics of hazardous wastes, the Permittee must notify King County Industrial Waste, the U.S. Environmental Protection Agency, and the Washington State Department of Ecology if any of these wastes are discharged to the King County sewerage system. Notification must occur within 90 days of the effective date of the

published regulation. (See the glossary section for a definition of hazardous wastes.)

E. Continuing Discharge After Permit Expiration Date

This permit does not authorize discharge after its expiration date. If the Permittee wishes to continue discharge after the expiration date, an application must be filed for reissuance of this permit at least 180 days prior to the expiration date. If the Permittee submits its reapplication in the time specified herein, the Permittee shall be deemed to have an effective waste discharge permit or authorization until King County issues or denies the new waste discharge permit. If the Permittee fails to file its reapplication in the time period specified herein, the Permittee will be deemed to be discharging without a discharge permit after the current permit's expiration date.

S7. MONITORING AND RECORD KEEPING

A. Record Keeping and Retention

The Permittee shall maintain records relating to all permitted discharges to the King County sewerage system including routine maintenance, waste disposal dates, manifests, self-monitoring reports, analytical lab results, pH monitoring records, and flow records.

All records required by the permit shall be available for review at reasonable times by authorized representatives of King County.

Records of all such testing shall be retained for a period of three (3) years unless litigation or the direction of the King County Industrial Waste Program requires an extension of that time.

B. Recording of Results

For each measurement or sample taken to comply with this permit, the Permittee shall record the following information:

1. Date, exact place, and time of sampling;
2. Dates the analyses were performed;
3. Person who performed the analyses;
4. Analytical techniques or methods used; and
5. Results of all analyses.

C. Representative Sampling

Samples and measurements taken to meet the requirements of this condition shall be representative of the volume and nature of the monitored discharge.

D. Test Procedures

All analyses shall be performed in accordance with procedures established by the Administrator of the U.S. Environmental Protection Agency pursuant to Section 304(g) of the Federal Clean Water Act and contained in 40 CFR Part 136 and amendments thereto or with any other test procedure approved in writing by the EPA Administrator, and/or King County. In all cases, except total dissolved sulfide, the detection limit shall be well below the discharge limit. Where 40 CFR Part 136 does not include a sampling or analytical technique for the pollutant in question, sampling and analysis shall be performed in accordance with the procedures set forth in the EPA publication entitled "Sampling and Analysis Procedures for Screening of Industrial Effluents or Priority Pollutants, April 1977" or "Standard Methods," Latest Edition and amendments thereto, or with any other sampling and analytical procedures approved by the EPA.

Cyanide and volatile organic sample collection and preservation shall follow protocol specified by King County Industrial Waste.

E. Lab Accreditation

All self-monitoring data submitted to King County that required a laboratory analysis must have been performed by a laboratory accredited by the Washington State Department of Ecology for each parameter tested. This does not apply to field measurements performed by the Permittee such as pH, temperature, flow, atmospheric hydrogen sulfide, total dissolved sulfides, settleable solids by Imhoff cone, or process control information.

F. Falsifying Information

The act of knowingly falsifying, tampering with, or knowingly rendering inaccurate any monitoring device, report, or method required pursuant to the federal pretreatment standards, King County Code 28.84.060, or special conditions of this permit shall constitute a violation of this permit, and shall be subject to the legal remedies available under "Revocation of Permit or Authorization" and "Penalties and Enforcements" in King County Code 28.84.060.

G. Toxicity Testing

If King County is required by the Washington State Department of Ecology to determine the source of a pattern of acute toxicity pursuant to its Treatment Plant NPDES permit, the Permittee may be required to test its effluent for toxicity according to procedures to be determined by King County.

H. Signatory Requirements for Industrial User Reports

Any report required by this permit shall meet the signatory and certification requirements listed in King County Code 28.84.060 and King County Code 28.82.

S8. OPERATIONS AND MAINTENANCE

The Permittee shall use waste preventative practices to reduce or eliminate contaminant loading to the King County sewerage system. These practices shall include proper chemical storage, spill prevention and notification, and maintenance and operation of any required pretreatment equipment.

A. Chemical Storage

Chemical solutions, solid chemicals, waste materials, oils, and solvents shall be stored in a manner that will prevent the entry of these materials into the King County sewerage system.

1. Non-compatible chemicals shall be segregated and securely stored in separate containment areas that prevent mixing of incompatible or reactive materials.
2. The Permittee shall install shut-off devices to all drains in any hazardous waste storage areas.
3. Chemicals shall be dispensed only in roofed and bermed areas that eliminate potential spills to the King County sewerage system.
4. All empty barrels that have not been cleaned (steam-cleaned or triple-rinsed) shall be adequately stoppered and stored in an upright position.
5. Process tanks shall be located in a bermed, roofed, secured area capable of containing 110 percent of the volume of the largest tank. The Permittee shall ensure that process solutions are used and stored in such a manner as to minimize spills of concentrated solutions to the sanitary sewer.

B. Spill or Slug Discharge Control Procedures (See Section S6.A.)

1. In the event of a concentrated solution spill such as a tank failure, the Permittee shall not discharge any spilled solution to the metropolitan sewer system unless laboratory test results indicate that the substance meets the conditions of this permit and the Permittee receives approval from the King County Industrial Waste Program.
2. Concentrated waste or spilled chemicals that do not meet, or are not treated to meet, the discharge conditions of this permit shall be transported offsite for disposal at a facility approved by the Washington State Department of Ecology or appropriate county health department.
3. The Permittee shall maintain and inspect all process solution tanks on a regular basis. Any leaks shall be repaired promptly.

4. The Permittee shall use spill prevention practices to preclude the discharge of liquids, solids, or gases which by reason of their nature or quantity are, or may be, sufficient either alone or by interaction with other substances to cause fire or explosion.
5. All process tanks and chemical storage containers shall be accurately labeled. Emergency phone numbers of King County, Fire Departments, your company's 24-hour corporate contact, and Washington State Department of Ecology shall be posted at all sites that King County requires.
6. The Permittee shall ensure that concentrated waste from process tank filters and other equipment is prevented from entering the sanitary sewer unless it is treated to meet the discharge conditions of this permit.
7. The Permittee shall maintain and use product recovery options such as drag-out rinses for each plating bath or process as required to meet the discharge conditions of this permit. Recovered materials shall not be discharged to the sanitary sewer unless they are treated to meet the discharge conditions of this permit.

C. Pretreatment Equipment Maintenance and Operations

1. All pretreatment systems used to bring the Permittee's discharge into compliance with King County's discharge limitations shall be maintained continuously in satisfactory and effective operations by the Permittee at the Permittee's expense, and shall be subject to periodic inspections by authorized King County personnel. These systems shall be attended at all times during discharge to the King County sewerage system. In the event that such equipment fails, the Permittee must notify King County immediately and take spill prevention precautions.
2. The Permittee shall not initiate construction or modification of a pretreatment system prior to receiving King County approval of plans and specifications per WAC 173-240. In addition, King County may require an engineering report and an operations and maintenance manual.
3. King County shall be contacted before the beginning of any limited experimental modifications or new equipment testing that could reasonably be expected to affect effluent quality or quantity. This experimental work shall proceed only after securing written approval from King County and following the Permittee's adherence to any applicable special conditions.
4. The effluent limitations specified in this permit are to be met by treatment of the wastes for pollutant removal. The use of municipal water, ground water, seawater, storm water or other materials, including waste products, for the purpose of diluting a waste to achieve those limitations is prohibited.

5. The Permittee shall adequately maintain and efficiently operate all treatment or control facilities or systems installed or used by the Permittee to achieve compliance with the terms and conditions of this permit.

D. Water/Sewer Meter Requirements

1. The Permittee shall obtain or maintain access to a water or sewer meter that can provide accurate information regarding industrial process wastewater and cooling water discharge to the sewer. Another method of volume determination may be used only upon approval by King County.

E. Solid Waste

1. The Permittee shall handle and dispose of all solid waste material (as defined in WAC 173-304-100) not otherwise authorized by this permit in such a manner as to prevent its entry into the King County sewerage system.
2. All covers, screening devices, sumps, hoppers, conveyors, and other facilities provided for the recovery and handling of solid wastes are to be maintained in an efficient operating condition.

F. Storm Water

1. Storm water, surface water, ground water, and roof runoff shall be excluded, except where specifically authorized by this permit or King County Code 28.84.060, from the King County sewerage system.

S9. GENERAL CONDITIONS

- A. The discharge of any pollutant more frequently than, or at a level in excess of, that identified and authorized by this permit shall constitute a violation of the terms and conditions of this permit. Whenever the Permittee refuses to take corrective action or continues the violating condition, the imposition of civil penalties including fines for each violation and/or termination of this permit may result. Termination of this permit may require disposal of the industrial waste in some manner other than into the public sewer, private sewer, or side sewer tributary to the King County sewerage system at the expense of the person holding the permit. Any person causing damage to a public sewer or treatment facility by discharges in violation of the terms and conditions of this permit shall be liable for any such damage incurred by King County as a result of such damage or discharge.
- B. The diversion or bypass of any discharge from any pretreatment facility utilized by the Permittee to maintain compliance with the terms of this permit is prohibited except where unavoidable to prevent loss of life or severe property damage. The procedure outlined in Section S4.D. shall be followed in case of such a diversion or bypass.
- C. After notice and opportunity for a hearing, this permit may be modified, suspended, or revoked in whole or in part during its terms for those causes cited in King County Code 28.84.060.
- D. If a toxic standard or prohibition (including any schedule of compliance specified in such effluent standard or prohibition) is established under Section 307 (a) of the Federal Clean Water Act for a toxic pollutant which is present in the discharge authorized herein, and such standard or prohibition is more stringent than any limitation upon such pollutant in this permit, this permit will be revised or modified in accordance with the toxic effluent standard or prohibition and the Permittee shall be so notified. Section 307 (a) requires that the Administrator of the Environmental Protection Agency shall promulgate effluent standards (or prohibitions) for toxic pollutants which he or she has listed as such.
- E. Nothing in this permit shall be construed as excusing the Permittee from compliance with any applicable federal, state, or local statutes, ordinances, or regulations.
- F. All requirements and ordinances of the U.S. Environmental Protection Agency and the Washington State Department of Ecology pertaining to hazardous and toxic wastes, disposal facilities, and discharge of wastes into the King County sewerage system, are hereby made a condition of this permit.

S10. WASHINGTON DEPARTMENT OF ECOLOGY CONDITIONS

This permit does not constitute authority for discharge into waters of the state. Any such discharge is subject to enforcement action by the Department of Ecology.

Upon issuance of this permit, the Permittee assumes the responsibility to abide by the following environmental requirements, and any other appropriate regulations stipulated by the Department of Ecology. **The Department of Ecology retains authority to enforce these permit conditions (RCW 70.105 and RCW 90.48).**

Conditions To Protect Ground and Surface Waters

1. Contaminated waters or wastes shall not be discharged to state waters.
2. Boiler blow down and water shall not be discharged to state waters.
3. Solid chemicals, chemical solutions, waste materials, oils, and solvents shall be stored in a manner which will prevent the entry of these materials into state ground or surface waters, and in a manner that will prevent spillage by overfilling, tipping, or rupture.
4. The Permittee shall handle and dispose of all solid waste material in such a manner as to not cause any adverse effect on ground or surface water quality.
5. Filtered solids or sludge shall be stored in such a manner that drainage from this material is prevented from either draining across public rights-of-way or entering the local storm drain system or the ground water.
6. No emulsifiers or dispersants are to be used on waters of the state without approval from the Department of Ecology.
7. If corrosive processing solutions are used, the processing/plating floor shall be sealed with corrosion resistant material that prevents leakage. This coating shall be repaired or replaced as needed.

Questions regarding the implementation of conditions outlined in Section S10 should be directed to the regulatory authority, the Washington State Department of Ecology, at 425-649-7000 (Northwest Regional Office, 3190 160th Avenue SE, Bellevue, Washington 98008-5452).

S11. ORGANIC CHEMICAL DEFINITIONS AND REPORTING REQUIREMENTS

The local limit for organic compounds prohibits the discharge of any organic pollutant that results in the presence of toxic gases, vapors, or fumes within a public or private sewer or treatment works in a quantity that may cause worker health and safety problems. The local limit also provides the authority to use various methods (applied on a site-specific basis) for limiting the discharges of organic compounds.

Screening levels in the following table have been calculated for many of the organic compounds that are commonly used in industries and have OSHA or NIOSH occupational exposure limits (OEL). Screening levels are the concentration in the wastewater that could potentially produce sewer gas concentrations in excess of the OEL. The calculations of the screening levels are based on Henry's law equilibrium between the organic compound in the wastewater and the sewer gases.

- A. Volatile Organics (VOAs) are defined as those compounds detected with use of EPA Method 624 or SW 846 Method 8260. Semi-volatile Organics (BNAs) are defined as those compounds detected with use of EPA method 625 or SW 846 Method 8270. See Section 7 Monitoring and Record Keeping for definition of approved analytical procedures.

B. **Screening Levels for Selected Organic Compounds**

Discharges that exceed the following screening levels have the potential to cause health hazards in the sewage collection system or indicate that treatment has not been sufficient enough to remove hazardous waste characteristics.

Compound	Screening Level mg/l
Acetone	36.0
Benzene	0.13
Chloroform	0.32
Ethyl benzene	1.4
Methylene chloride	1.66
Methyl ethyl ketone	200.0
Phenol	633.0
Toluene	1.5
Xylenes (Total)	1.5
Bis(2-Ethylhexyl) Phthalate	No screening level
Di-N-Butyl Phthalate	No screening level
Di-N-Octyl Phthalate	No screening level
Dibenzo(a,h)anthracene	No screening level
Diethyl Phthalate	No screening level
Dimethyl Phthalate	No screening level

$$\text{UG} \div 1000 = \text{mg/L}$$

- C. The permittee shall indicate in the self-monitoring report whether the organic chemical monitoring results exceed any of the screening levels listed in S11.B.
- D. Whenever King County or the permittee's self-monitoring results exceed the screening level for three out of four months, the permittee shall submit a plan indicating the steps that will be taken to ensure that organic chemical discharges do not exceed screening levels. The plan shall be submitted within thirty days of the third self-monitoring report that shows organic chemical discharges that exceed screening levels. The report shall indicate the steps that will be taken to reduce organic chemical concentrations so that they remain consistently below screening levels within 60 days.

KING COUNTY INDUSTRIAL WASTE COMPANY FACT SHEET

Date: August 19, 2004

COMPANY INFORMATION

Company Name: Industrial Container Services (ICS)(pka PalEx and IFCO Systems)
Plant Address: 7152 1st Avenue South
Seattle, WA 98108
Mailing Address: 7152 First Avenue South
Seattle, WA 98108
Treatment Plant: West Point
Corp. Contact & Phone: Rick Cabuco, (206)763-2345
Plant Contact & Phone: Rick Cabuco, (206)763-2345
Nature of Business: Steel/plastic drum and intermediate bulk container (IBC) reconditioning and steel drum manufacturing.
Days operating: 260
SIC#: 7699 **EPA ID #:** WAD000066084
Investigator: Barbara Badger

PERMIT INFORMATION

Permit No.: 7130-03
Revision Date: August 17, 2004
Effective Date: October 3, 2004
Expiration Date: October 3, 2009

DESCRIPTION OF SAMPLE SITES, LIMIT TYPES, & DISCHARGE VOLUMES

Sample Site No.	Description	Limit Type	Maximum Industrial Volume (gpd)
A4073	Aperture - NW corner	KCLL GT 5000	25000
A4073	Aperture - NW corner	Surcharge	25000

Total Industrial discharge volume (gpd) (add all sites)	25,000
Storm Water (non regulated) (gpd)	1,542
Sanitary Waste (non regulated) (gpd)	420

SELF-MONITORING REQUIREMENTS

Sample Site No.	Parameter	Sample Type	Frequency
A4073	2-Butanone (MEK)	voa_comp(2)	quarterly
A4073	Acetone	voa_comp(2)	quarterly
A4073	Benzene	voa_comp(2)	quarterly
A4073	Bis(2-Ethylhexyl)Phthalate	composite-bna	quarterly
A4073	Cadmium, Total, ICP	composite	monthly
A4073	Chloroform	voa_comp(2)	quarterly
A4073	Chromium, Total, ICP	composite	monthly
A4073	Copper, Total, ICP	composite	monthly
A4073	Dibenzo(a,h)anthracene	composite-bna	quarterly
A4073	Diethyl Phthalate	composite-bna	quarterly
A4073	Dimethyl Phthalate	composite-bna	quarterly
A4073	Discharge Rate	continuous	monthly
A4073	Discharge Rate Daily Max	continuous	monthly
A4073	Ethylbenzene	voa_comp(2)	quarterly
A4073	Lead, Total, ICP	composite	monthly
A4073	Methylene Chloride	voa_comp(2)	quarterly
A4073	Nickel, Total, ICP	composite	monthly
A4073	Oil, Petro (Non-Polar)	3 grabs	monthly
A4073	PHENOL	composite-bna	quarterly
A4073	Toluene	voa_comp(2)	quarterly
A4073	Total Monthly Flow	continuous	monthly
A4073	Zinc, Total, ICP	composite	monthly
A4073	pH-Field, Max	grab	3x_per_week
A4073	pH-Field, Min	grab	3x_per_week

PERMIT PROCESSING

Permit No. 7130-03

ACTION	DATE
Application Received	NA
Fee Requested	First revision – no charge
Fee Paid	NA
Date Public Comment Period Ended	NA
Draft Issued	NA
Final Issued	August 19, 2004

COMMENTS

Company Background

This "barrel business" has been in existence since 1945. Although the types of work and processes have not changed, the site has changed ownership many times. This site has been permitted with Industrial Waste since the mid-1970s.

In addition to their industrial waste, Industrial Container Services discharges approximately 1,542 gpd of stormwater (based on 37,053 sq. ft. @ 37.19" annual rainfall) to the sanitary sewer. The majority of rainwater from the roof drains is collected and used on site. Roof drains that face west/northwest discharge to the Duwamish River via city storm drains. Industrial Container Services meets the 0.2 cfs/acre criteria.

Compliance History

Industrial Container Services' compliance history is excellent. They received the Industrial Waste Gold Award five years in a row and, in turn, received the "Commitment-to-Compliance" plaque in 2002. In 2003 Industrial Container Services was awarded the Gold Award.

On February 10, 2003, Industrial Container Services had an unannounced audit by EPA, Ecology, and Seattle Public Utilities. The audit was done by all three agencies collectively. According to the reports received from these agencies, no significant concerns were identified.

Types of Wastewater

Wastewater is generated from the cleaning, manufacturing, and reconditioning of steel drums, plastic drums, and intermediate bulk containers (IBC).

Treatment System

Chemical precipitation and oil precipitation prior to discharge to the sanitary sewer.

Stormwater

Industrial Container Services discharges approximately 1,542 gallons of stormwater daily (based on 37,053 sq. ft. @ 37.19" annual rainfall) to the sanitary sewer.

Self-Monitoring Requirements

Industrial Container Services monitors for FOG, pH, and flow. Additional parameters are being added to this renewed permit. These parameters include metals, VOAs, and BNAs.

King County Monitoring Schedule

Industrial Container Services is compliance sampled twice per year.

Special Conditions

Yes. Following are special conditions:

1. Industrial Container Services is prohibited from cleaning drums and IBC (intermediate bulk container) plastic totes that have contained the following substances (unless they are certified as having been triple rinsed in accordance with 40CFR 261.7):
 - Pesticides
 - Herbicides
 - Cyanide compounds
 - Heavy metal-bearing materials or wastes that exceed the metals effluent limitations established in this permit.
2. Industrial Container Services is authorized to treat and discharge only wastes generated by cleaning empty drums and IBC plastic totes. A drum or IBC plastic tote is "empty" if:
 - All residues that can be removed by commonly employed methods (e.g., pouring, pumping, aspirating, etc.) have been removed.
 - No more than 2.5 centimeters (one inch) of residue remains on the bottom of the container; or
 - No more than 3% by weight of the total capacity of the container remains in the container if the container is less than or equal to 110 gallons in size, or no more than 0.3% by weight of the total capacity of the container remains in the container if the container is greater than 110 gallons in size.

Changes Since the Last Permit

Yes, organic chemical self-monitoring parameters have been added.

GLOSSARY SECTION

Below are the definitions of the technical terms used in this permit. If not defined below, the words and phrases of this permit shall have their common and ordinary meanings to the degree consistent with the technical subjects in this permit.

Annual The term "annual" shall refer to that twelve-month period commencing Jan. 1 and terminating Dec. 31.

Authorized Representative of Industrial User An authorized representative of an industrial user may be: (1) A principal executive officer of at least the level of vice president, if the Industrial User is a corporation; (2) A general partner or proprietor if the industrial user is a partnership or proprietorship, respectively; (3) A director or highest official appointed or designated to oversee the operation and performance of the industries if the industrial user is a government agency; (4) A duly authorized representative of the individual designated above if such representative is responsible for the overall operation of the facilities from which the indirect discharge originates.

Best Management Practices (BMPs) Operating and housekeeping pollution control practices that keep pollutants out of the wastestream.

Biochemical Oxygen Demand (BOD) The quantity of oxygen utilized in the biochemical oxidation of organic matter (as described in Standard Methods For The Examination of Water and Wastewaters, current edition, or Guidelines Establishing Test Procedures For The Analysis of Pollutants, contained in 40 CFR Part 136) in five days at temperature of 20 degrees centigrade, expressed in milligrams per liter.

Bypass The intentional diversion of waste streams from any portion of a treatment facility.

Categorical Pretreatment Standard or Categorical Standard Any regulation containing pollutant discharge limits promulgated by the EPA in accordance with Sections 307(b) and (c) of the Act (33 U.S.C. 1317), which apply to a specific category of users and which appear in 40 CFR Chapter I, Subchapter N, Parts 405-471.

Combined Sewer A conduit or system of conduits in which both wastewater and storm water are transported.

Composite Sample A sample composed of no less than four (4) grab samples of equal volume, collected by either hand or machine, over the sampling period from a well-mixed final effluent.

Construction Dewatering The act of pumping ground water or storm water away from an active construction site.

Contaminated Non-process Wastewater Any water, which during manufacturing or processing, comes into incidental contact with any raw material, intermediate product, finished product, by-product, or waste product by means of (1) rainfall runoff, (2) accidental spills, (3) accidental leaks caused by the failure of process equipment, and (4) discharges from safety showers and related personal safety equipment; provided, that all reasonable measures have been taken to prevent, reduce and control such contact to the maximum extent feasible, and to mitigate the effects of such contact once it has occurred.

Cooling Water Water discharged from any use, such as air conditioning, cooling or refrigeration, or to which the only pollutant added is heat.

Decant Water Decant water is typically generated from the mechanical education and subsequent solids settling of wastewater from the cleaning and maintenance of storm and sanitary conveyance systems.

Dilution The prohibited practice of adding process water or in any other way attempting to dilute a discharge as a partial or complete substitution for adequate treatment to achieve compliance with pretreatment standard or requirements.

Discharge to Metropolitan Sewerage System Any discharge that enters a private side sewer and/or public sewer that is a tributary to the King County system, and said discharge shall be considered a discharge to said system whether or not specifically identifiable in effluent reaching the County's facilities.

Flow Proportional Composite Sample A sample composed of grab samples collected continuously or discretely, by hand or machine, in proportion to the flow at the time of collection or to the total flow since collection of the previous grab sample. The grab sample volume or frequency of grab collection may be varied in proportion to flow.

Grab Sample A single sample collected without consideration to the flow in the waste stream and without consideration of time.

Groundwater Water in a saturated zone or stratum beneath the surface of land or below a surface water body.

Hazardous Waste The words "hazardous waste" shall be as defined in accordance with 40 CFR 261.3 or amended.

Interference A discharge that alone or in conjunction with a discharge or discharges from other sources either: (1) inhibits or disrupts the POTW, its treatment processes or operations; (2) inhibits or disrupts its sludge processes, use or disposal; or (3) is a cause of a violation of King County's NPDES permit or of the prevention of sewage sludge use or disposal in compliance with federal, state and local regulations.

Lower Explosive Limit (LEL) Measurement by an explosive hazard meter at the point of discharge into the metropolitan sewer system.

NA Not applicable.

National Pretreatment Standard, Pretreatment Standard, or Standard Any regulation containing pollutant discharge limits promulgated by the EPA in accordance with section 307 (b) and (c) of the Act, which applies to industrial users. This term includes prohibited discharge limits established pursuant to 40-CFR-403.5.

Non-contact Cooling Water The words "non-contact cooling water" shall mean the same as the words "cooling water."

Nonpolar Fats, Oils, & Grease (Nonpolar FOG) FOG of mineral or petroleum origin.

Pass Through A discharge that exits the POTW into waters of the state in quantities or concentrations that, alone or in conjunction with a discharge or discharges from other sources, is a cause of a violation of any requirement of King County's NPDES permit (including an increase in the magnitude or duration of a violation).

pH The negative logarithm (base 10) of the concentration of hydrogen ions expressed in grams per liter of solution. Neutral water, for example, has a pH of 7 and a hydrogen ion concentration of $10(-7)$.

Point of Compliance The location immediately downstream from pretreatment facilities, if such exist, or immediately downstream from the regulated process, if no such pretreatment exists and upstream from the point where the discharge enters any sewer after which the industrial user is no longer able to alter the concentration or characteristics of the wastes.

Polar Fats, Oils, & Grease (Polar FOG) FOG having an animal and/or vegetable origin.

Process Wastewater Any water which, during manufacturing or processing, comes into direct contact with, or results from production or use of any raw material, intermediate product, finished product, byproduct, or waste product. The "process wastewater" does not include "contaminated non-process wastewater."

Sampling Point That point, as identified in the waste discharge permit or discharge authorization, that specifies the location samples should be collected to verify compliance with applicable pretreatment standards.

Shall and May The word "shall" indicates that an activity is mandatory. The word "may" indicates an activity is optional.

Slug Discharge Any discharge of a non-routine, episodic nature, including but not limited to, an accidental spill or a non-customary batch discharge under 40 CFR 403.8(f)(2)(v).

Standard Industrial Classification (SIC) Code A four digit code classifying establishments by the type of manufacturing or commercial enterprise which occurs on their site. The SIC Codes are listed in the most recent edition of the "Standard Industrial Classification Manual."

Storm Water Any flow occurring during or following any form of natural precipitation and resulting there from.

Suspended Total suspended matter that either floats on the surface of, or is in suspension in, water or wastewater and is removable by laboratory filtering as described in Standard Methods For The Examination of Water and Wastewaters, current edition, or Guidelines Establishing Test Procedures For The Analysis of Pollutants, contained in 40 CFR Part 136, as published in the Federal Register, and referred to as non-filterable residue.

Total Metals The sum of chromium, copper, nickel, and zinc (40 CFR 413 >10,000 gpd).

Year A 365 day period.

ATTACHMENT 4

11/22/06

Industrial Container Services – WA, LLC



CONTINGENCY PLAN

7152 FIRST AVENUE SOUTH
SEATTLE, WASHINGTON
(206) 763-2345

S P C C

SPILL PREVENTION CONTROL and COUNTERMEASURES and SLUG DISCHARGE CONTROL PLAN

INDUSTRIAL CONTAINER SERVICES-WA, LLC

SEATTLE, WASHINGTON

Section I

INTRODUCTION AND PURPOSE:

Industrial Container Services - WA, LLC, hereinafter referred to as ICS - WA, located in Seattle, Washington, is in the drum reconditioning and new drum fabrication business. Used drums which had contained solvents, petroleum products, food products, and other miscellaneous products are received for reconditioning. The used drums may contain a maximum residue in accordance with the EPA definition of an "empty" drum. Liquid paints are used in the final finishing of both new and reconditioned drums. Since there is a possibility that an accidental spill of the paint, solvents, settling tank liquids or collected wash residue from the reconditioning process could occur, the following Spill Prevention Control and Recovery plan has been developed to minimize and, if required, to report any damage from the spill to the appropriate agencies.

FACILITY INFORMATION:

Name of Facility: Industrial Container Services - WA, LLC
Physical Location: 7152 First Avenue South
Seattle, Washington 98108
Telephone Number: (206) 763-2345

Designated Responsible Persons:

Rick Cabuco, Facility Manager
James L. Funderburg, Maintenance Supervisor
Bob Miller, Production Supervisor
Curtis Ralph, Asst. Production Manager

COMPANY ENVIRONMENTAL POLICY and WASTE MINIMIZATION PROGRAM

Every effort is being made to comply with Federal, State and Local environmental regulations to "identify" and "minimize" adverse environmental impact of company operations. This effort includes a policy statement in that ICS will not accept drums for reconditioning which have contained "acutely hazardous" materials listed in EPA publication 40 CFR 261.33(e).

Section II

SLUG DISCHARGE EVENT:

"Slug discharge event" shall mean an uncontrolled or unplanned release of potentially harmful chemicals or quantity of substance to the local POTW (King County Industrial Waste).

SPILL EVENTS:

"Spill Event" shall mean an uncontrolled release of potentially harmful chemical material from ICS - WA, located in Seattle, Washington.

For each spill event, the Production Manager shall maintain a record of the spill event providing the following detail:

- (1) Location of spill;
- (2) Date and time of spill;
- (3) Chemical involved in spill;
- (4) Corrective actions and recovery measures taken;
- (5) Cause of spill.

Chemical spills shall be immediately reported to Rick Cabuco, the Facility General Manager. If at that time it is determined that the spill threatens public health, the environment, or our POTW regardless of quantity, (see Section VII, Personnel Training regarding reportable quantities, pgs 12 & 13), required notification to appropriate authorities (see Appendix B: Emergency Phone Numbers, Page 20) and the DOE will be made immediately by a trained spill coordinator. These coordinators are:

DAY SHIFT:

Rick Cabuco, Facility General Manager
James Funderburg, Maintenance Manager

OVERTIME SHIFT:

Bob Miller, Production Manager
Curtis Ralph, Asst. Production Manager

Acquisition of Assistance:

The spill/slug response coordinator should contact the wastewater treatment plant and fire department immediately upon ensuring the safety of personnel onsite. A quick assessment of the severity of the spill will dictate the need to call the wastewater treatment plant or the fire department before other concerned agencies are officially notified.

To notified the fire department call dispatch at 9-1-1.

To notify the wastewater treatment plant call - 206-263-3801.

Also call King County Industrial Waste Program @ 206-263-3000 and follow-up with a written notification within five days.

Section III

An example of the spill event form follows:

SPILL EVENT RECORD

Industrial Container Services – WA, LLC
7152 First Avenue South
Seattle, Washington 98108
(206) 763-2345

LOCATION: _____

AMOUNT OF SPILL _____

Contact Person:

Date/Time:

Chemicals Involved:

Cause of
Spill: _____

Corrective Action Taken:

An example of the slug event form follows:

SLUG DISCHARGE EVENT RECORD

Industrial Container services - WA, LLC
7152 First Avenue South
Seattle, Washington 98108
(206) 763-2345

LOCATION: _____

AMOUNT OF SLUG: _____

CONTACT PERSON: _____

EVENT DATE & TIME: _____

CHEMICALS OR EFFLUENT INVOLVED: _____

CAUSE OF SLUG EVENT: _____

CORRECTIVE ACTION TAKEN:

Section IV

Slug Discharge Sources:

Although a spill has the potential to enter our waste water treatment system, it must first be collected at one of the sump pits located around the facility and then pumped to the primary waste water collection tank. Upon entering the system it must progress through a series of seven large work and residence tanks before it is finally pumped out of the sewer vault to the outfall. The ICS-WA facility does not have any open drains. Spills and slug discharges shall be controlled by turning off all pertinent automatic pumps and then manually directing and pumping effluents to designated holding tanks or drums for treatment and disposal.

Potential Spill Sources:

The following is a list of potential spill sources, the type of failure which would cause a spill, the maximum volume involved for each failure, and the most probable flow direction of the spill.

Each individual potential spill source and recovery action is explained in detail in Section V. Tank locations, listed below, are identified in Section X.

	<u>Source</u>	<u>Type of Failure</u>	<u>Volume</u>	<u>Flow Direction</u>
(1)	Sulfuric Acid Tank	Container Failure or Overflow	3000 gallons	Integral Secondary Containment
(2)	Caustic Tank	Container Failure	475 gallons	Integral Secondary Containment
(3)	Water Holding Tank	Container Failure or Overflow	6500 gallons	Over concrete surface to sumps
(4)	Water Holding Tank	Container Failure or Overflow	500 gallons	Over concrete surface to sumps

(5)	Metro Water System Tank	Container Failure or Overflow	500 gallons	Over concrete surface to sumps
(6)	Transfer Tank	Container Failure or Overflow	4000 gallons	Over concrete surface to sumps
(7)	Metro Water System Tank	Container Failure or Overflow	10000 gallons	Over concrete surface to sumps
(8)	Metro Water System Tank	Container Failure or Overflow	10000 gallons	Over concrete surface to sumps
(9)	Metro Water System Tank	Container Failure or Overflow	4000 gallons	Over concrete surface to sumps
(10)	Water/oil Separator	Container Failure or Overflow	3000 gallons	Over concrete surface to sumps

	<u>Source</u>	<u>Type of Failure</u>	<u>Volume</u>	<u>Flow Direction</u>
(11)	Metro Water System Tank	Container Failure or Overflow	7500 gallons	Over concrete surface to sumps
(12)	Metro Water System Tank	Container Failure or Overflow	8000 gallons	Over concrete surface to sumps
(13)	Hydrochloric Acid Tank	Container Failure or Overflow	250 gallons	Integral Secondary Containment
(14)	Pre-Flush Tank	Container Failure or Overflow	7500 gallons	Over concrete surface to sumps
(15)	Flush Tank	Container Failure or Overflow	8000 gallons	Over concrete surface to sumps
(16)	Power Washer Tank	Container Failure or Overflow	10000 gallons	Over concrete surface to sumps
(17)	Inside Rinse Tank	Container Failure or container tipped	2400 gallons	Over concrete surface to sumps
(18)	Acid Work Tank	Container Failure or Overflow	300 gallons	Over concrete surface to sumps
(19)	Neutralizer Tank	Container Failure or Overflow	300 gallons	Over concrete surface to sumps
(20)	Diesel Fuel Tank	Container Failure or Overflow	1000 gallons	Over concrete surface to sumps
(21)	T.H. tester	Container Failure	1000 gallons	Over concrete

Tank	or Overflow		surface to sumps
(22) O.H. Tester Tank	Container Failure or Overflow	550 gallons	Over concrete surface to sumps
(23) Paint Tank	Container Failure or Overflow	20 gallons	Indoor concrete floor
(24) Paint Storage Area	Container Failure	55 gallons	Over concrete surface to sumps
(25) Spare Tank	Container Failure or Overflow	8000 gallons	Over concrete surface to sumps
(26) Spare Tank	Container Failure or Overflow	8000 gallons	Over concrete surface to sumps
27) Propane Tanks	Container Failure		

<u>Source</u>	<u>Type of Failure</u>	<u>Volume</u>	<u>Flow Direction</u>
(28) Propane Tanks	Container Failure		
(29) Wash & Rinse Tanks	Container Failure or Overflow	2000 gallons	Over concrete surface to sumps
(30) Lubricating Oil Drums	Container Failure	55 gallons	Secondary Containment
(31) Anti freeze Drums	Container Overflow	55 gallons	Secondary Containment

Section V

Spill Contingency Plan and Reporting

General Discussion Applicable to Industrial Container Services – WA, LLC Facility:

In the facility area where most of the tanks are situated ("The Tank Farm") there is a primary and secondary sump pump system that is designed to pump floor and rain drainage into the Water and Oil Settling Tanks as part of normal facility operation. The Settling Tanks have normal sufficient capacity to handle all considered spill failures of individual tanks in the Tank Farm. The redundant electric-driven sump pump system pump excess sump liquid into a 500 gallon reserve settling tank.

The entire facility is hard surfaced concrete which provides an impervious surface and controlled drainage direction to any spill. Curbing is provided on the perimeter of the property to prevent any tank spillage from flowing off of the ICS- WA property. The sloping shape of the concrete surface is also toward the low spot of the concrete where the entry to the sump pumps is located. This facility configuration was designed such that any spillage is naturally contained within the hard surface and directed toward the sump pump opening and thus into tank containers.

The spill corrective action required by assigned personnel is to inspect the sump pumps to be sure they are operating properly. Those personnel who will do the inspection must wear proper protective clothing, boots and gloves.

SPILL CONTINGENCY PLAN AND REPORTING:

CATEGORY A:

The above discussion is applicable to specific spill sources noted in Section IV above and listed as follows:

Source Tanks: 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 14, 15, 16,
17, 19, 20, 21, 22, 25, 27, 28, 29

Materials which are spilled from these sources are normal drum reconditioning liquids which the tank and plumbing of the ICS facility is designed to handle.

Spill Countermeasures for tanks in Category A shall be as follows:

- A1. Check to be sure proper protective boots, gloves and clothes are being worn before entering the spill area.
- A2. Check the normal electric sump pump and propane pump to determine if they are operating properly.
- A3. Determine which tank is the source of the spill and valve off the offending tank to prevent any additional fluid from entering into it.
- A4. Squeegee the general area of the spill toward the sump pump and apply Solusorb™ or Plug N' Dike™ to dam the spill if it threatens to spill off the concrete area. Use Plug N' Dike to temporarily seal the leak in the tank.
- A5. Place used Solusorb™ in an open top DOT 17H type 55 gallon drum (use a non-sparking shovel to pick up this material) and dispose of the drum as appropriate.
- A6. Triple rinse the shovel to remove any residual material as a precautionary measure.

CATEGORY B:

The following tanks contain chemical concentrates which must be neutralized so as to prevent damage to pipes, tanks and other facilities not designed to resist these concentrated acids and caustics. Personnel will need additional personal protection as well as increased caution in dealing with these chemicals. Special training will be given to selected individuals who will be assigned responsibility for containing and cleaning up spills originating from tanks holding caustic or acid.

Source tanks containing caustic or acid are noted in Section IV above and are listed as follows:

Source Tanks: 1, 2, 18.

Spill countermeasures for tanks in Category B shall be taken as follows:

Tanks 1, 2 & 18 are leased portable units with integral secondary containment.

- B1. Check to be sure proper boots, gloves and protective clothing are being worn before entering the spill area.
- B2. Use proper respirator to avoid breathing fumes that may be present.
- B3. If the spill is from Tank number 2 (caustic), flush with water toward the sump. Continue to rinse the area with water and squeegee until all puddling has been eliminated. Seal off any tank leak with Plug N' Dike™.
- B4. If the spill is from Tank number 1 or Tank number 18 (hydrochloric acid) neutralize the spill with caustic. Flush the spill area with water and caustic until testing indicates a minimum PH of 6. Flush the sump pump with a neutralizing caustic solution. Add water and caustic to dilute the solution in the settling tank until testing indicates a maximum PH of 11.5. Seal off leaks with Plug N' Dike™.

CATEGORY C:

The following tanks contain flammable liquids and therefore all personnel should avoid smoking or using equipment that may produce a spark in the area of these tanks. Tanks containing flammable liquids are diked so as to contain any spill from progressing toward other areas of the facility.

Source tanks containing flammable liquids are noted in Section IV above and are listed as follows:

Source tanks: 20, 23, 24, 28, 30

Spill countermeasures for tanks in this category shall be taken as follows:

- C1. Immediately remove any source of ignition from the spill area.
- C2. Immediately provide maximum ventilation to any enclosed area by opening doors or other obstructions to air circulation.
- C3. Apply Solusorb™ or Plug N' Dike™ onto spilled liquid. If there is any danger of the spill extending beyond the curbed concrete area, apply Solusorb™ or Plug N' Dike™ to the area to form a dam. Transfer of the contents of the leaking tank may be required to minimize the spill.
- C4. Place used Solusorb™ or Plug N' Dike™ in an open head UN 1A2 type 55 gallon drum (use a non-sparking shovel to pick up this material.) Dispose of the drum in an appropriate manner.
- C5. Decontaminate the shovel by rinsing with water three times. Collect rinseate and pour in drum used in C4 above.

Section VI

SECURITY

In the event of an off-hour emergency the Security Guard will notify the Emergency Coordinator or his Alternate. Security is provided by Washington Protective Service and a local alarm and wailing system. A six foot high cyclone fence topped with barbed wire surrounds the entire facility except for those portions adjacent to the Duwamish River. A gate which is part of this fence is locked during off-hours. Only management personnel have access to the facility during off-hours.

Section VII

PERSONNEL TRAINING AND SPILL PREVENTION PROCEDURES

Special training sessions dedicated to this plan will be held as deemed necessary for present and future programs. Special training sessions for all emergency coordinators and employees designated to be part of this SPCC plan will be conducted and documented. These training sessions will cover the following outline of information.

- A. Acts and Regulations:
An overview of EPA, DOE, and DOT regulations which pertain to hazardous waste generated at the ICS - WA facility.
- B. Vulnerabilities/Liabilities:
A summary fines and penalties.
- C. Regulatory definitions of hazardous waste.
- D. Identification and listing of hazardous waste to include waste/non-specific, process waste/specific, commercial chemical products.
- E. Naming and designating hazardous waste (49 CFR ss172.101 - the hazardous materials table with directions for use.
- F. Generating/Shipping hazardous waste to include generator standards, generator annual report, the

reporting system, shipping requirements, shipping papers/manifest, marking, labeling, placarding and "cradle to grave" management.

- G. Emergency response/contingency planning. Federal, State and Department of Transportation guide to incident reporting.

Review of SPCC plan for Industrial Container Services – WA, LLC, Seattle, Washington. Spill clean-up and sampling information. Spill equipment decontamination. Reportable quantities.

Records will be kept separate from this plan detailing which employees received this training at ICS – WA.

Section VIII

SPCC PLAN AND AMENDMENTS

1. Records will be kept on all non-ICS – WA agencies, departments or emergency services which have received and reviewed this SPCC Plan.

2. Facility Change:

This SPCC plan will be amended within six months after any change in the facilities design, construction, operation or maintenance which would materially affect its potential for chemical spill.

3. This plan will be reviewed at least once every year. The plan will be amended to include more effective chemical spill prevention and control methods as the need arises. The plan will also be amended to include changes in personnel involved with this plan or environmental regulations. Updates of this plan will be forwarded to the appropriate governmental agencies.

Appendix B :

EMERGENCY AGENCY PHONE NUMBERS

Seattle Fire Department : 9-1-1

Seattle Police Department: 9-1-1

West Point Treatment Plant: 206-263-3000

King County Industrial Waste Program: 206-263- 3000

OTHER EMERGENCY AGENCY PHONE NUMBERS

National Response Center ----- 1-800-424-8802

Environmental Protection Agency ----- 206-442-1263

Department of Ecology ----- 1-800-424-8802

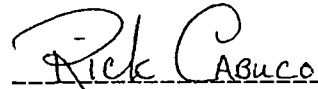
Environmental Health Hotline ----- 209-587-3292

Seattle Poison Center ----- 206-526-2121

Section IX

MANAGEMENT APPROVALS:

Facility General Manager:


Rick Cabuco

Date: 1-23-2006

Maintenance Manager:


James Funderburg

Date: 1-23-2006

Production Manager:

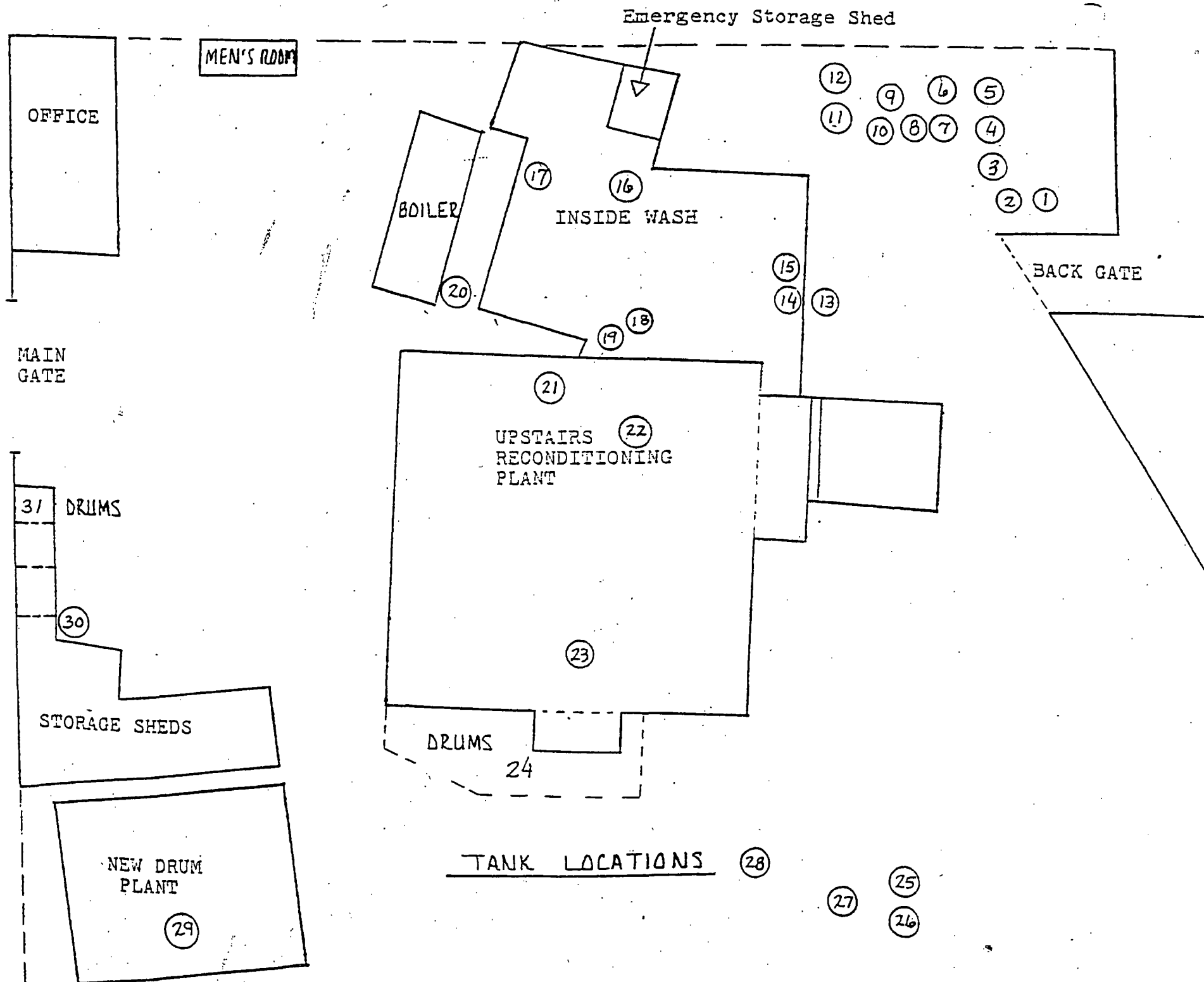

Bob Miller

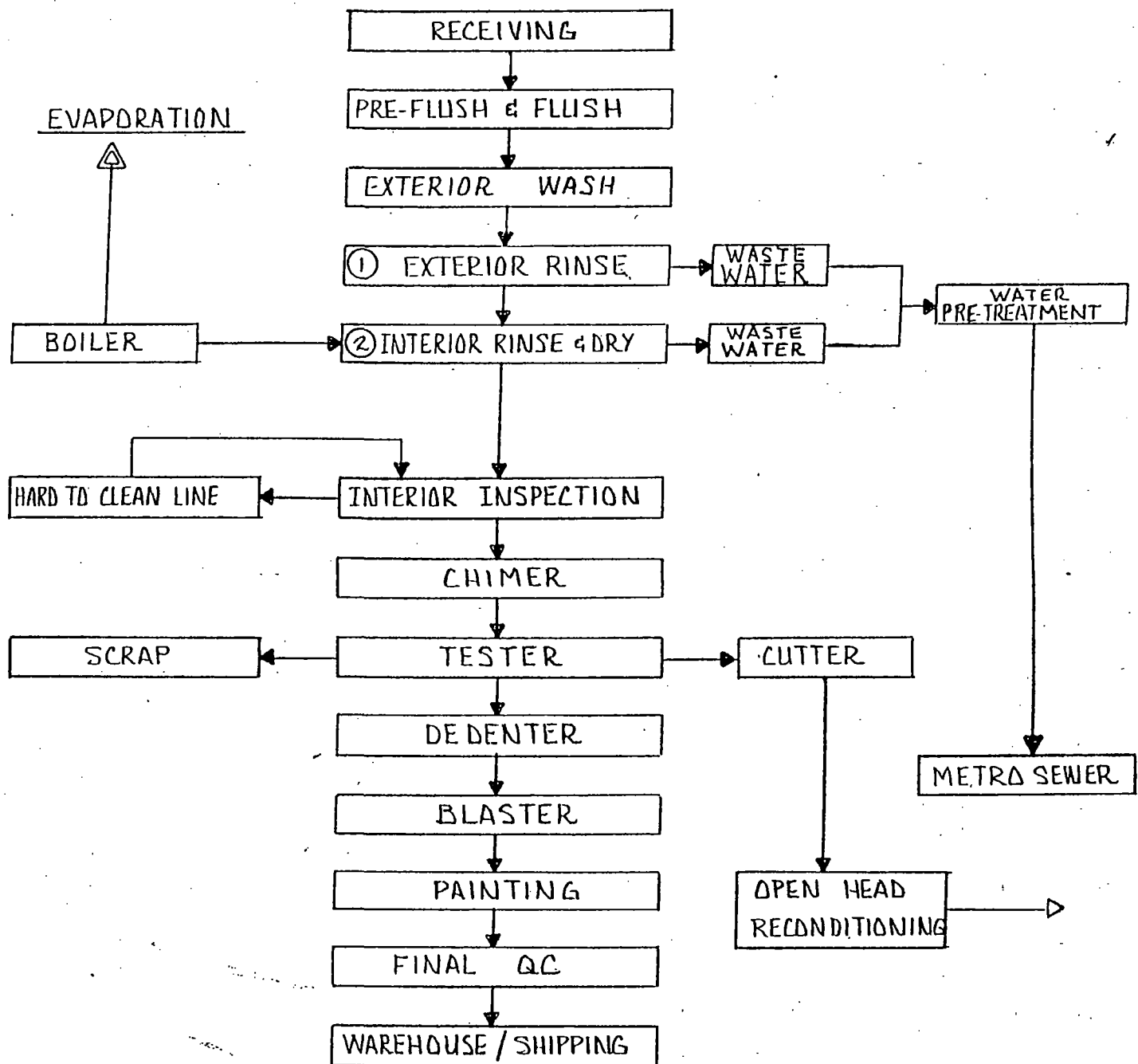
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Asst. Production Manager :

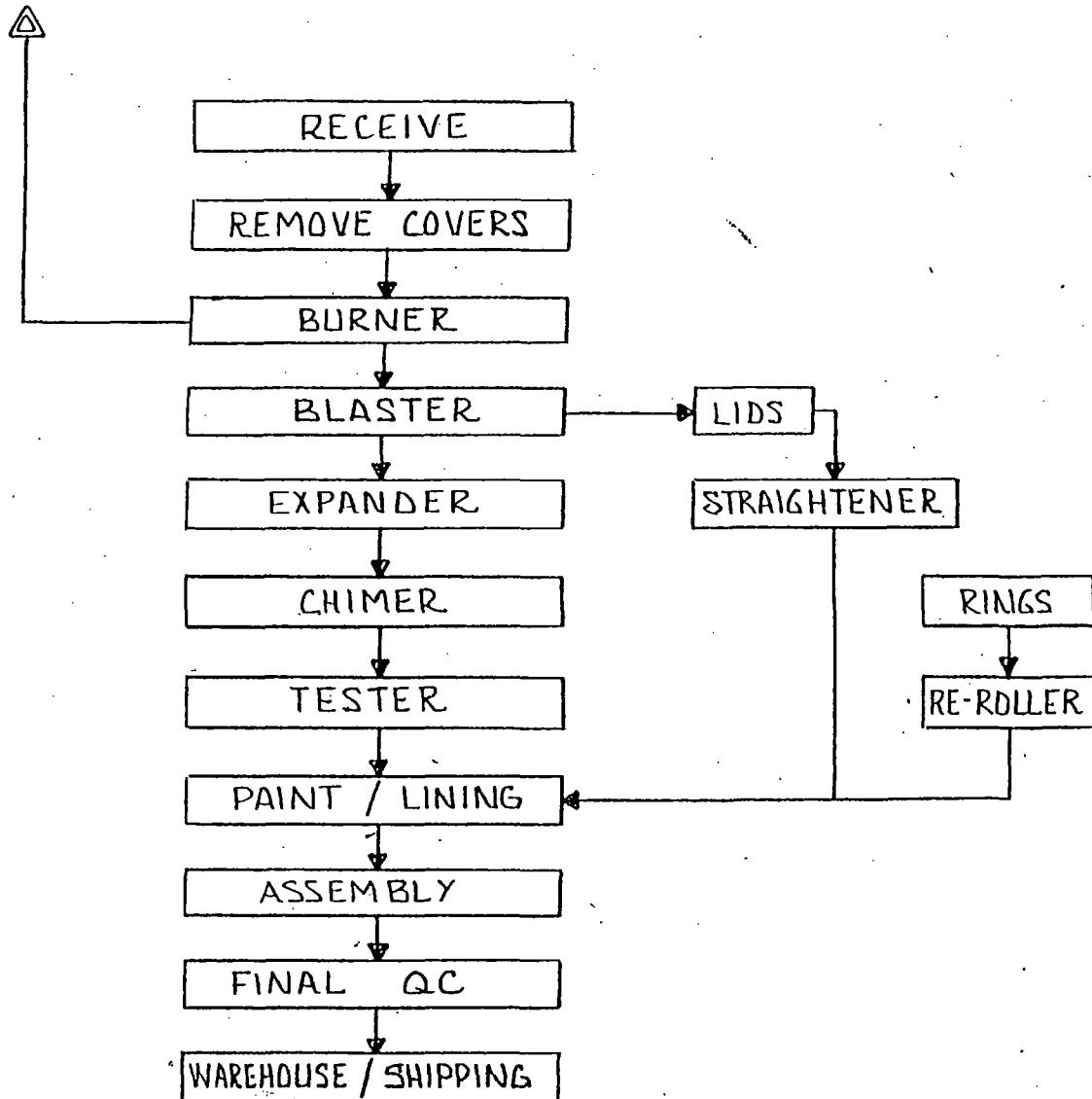

Curtis Ralph

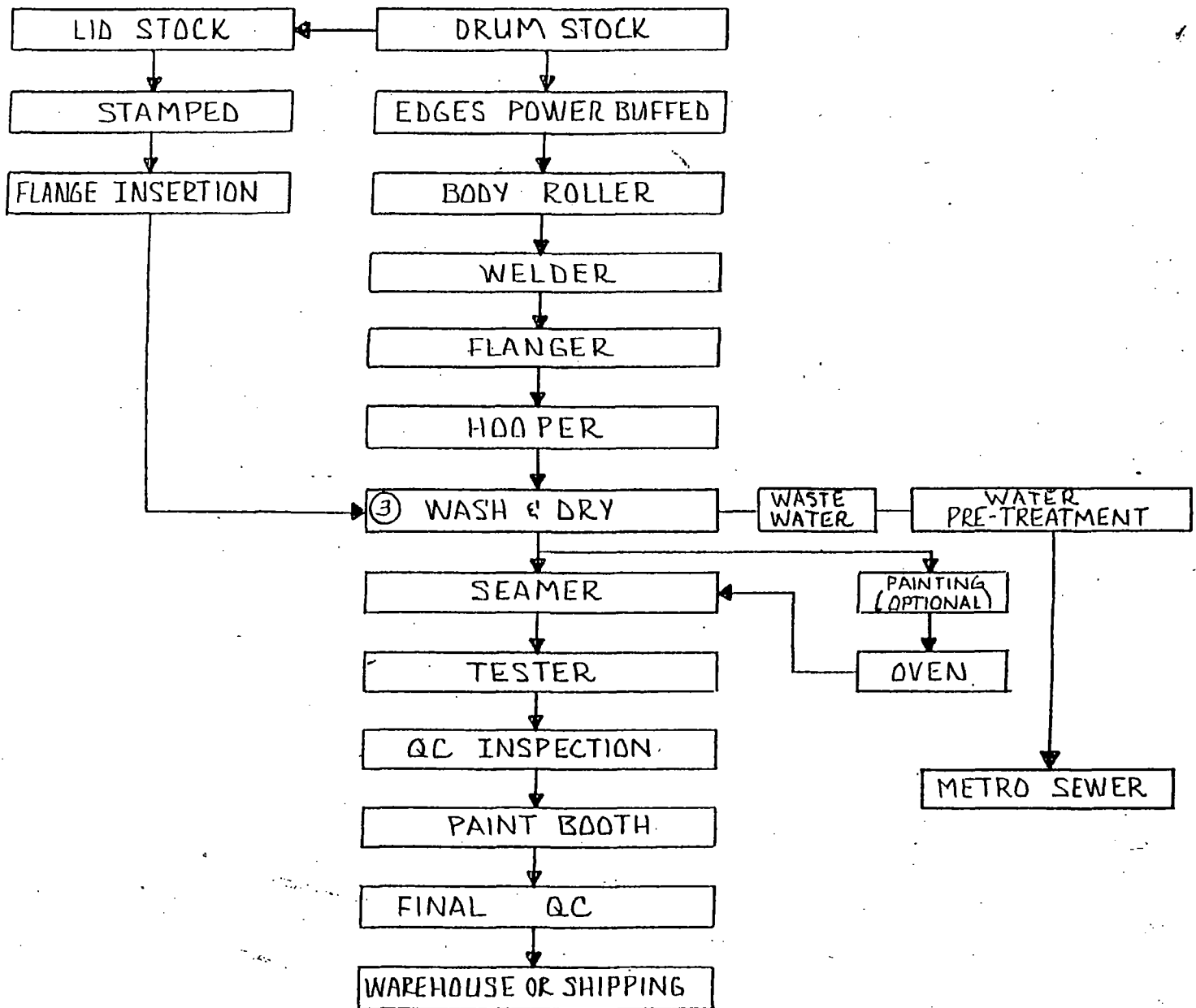
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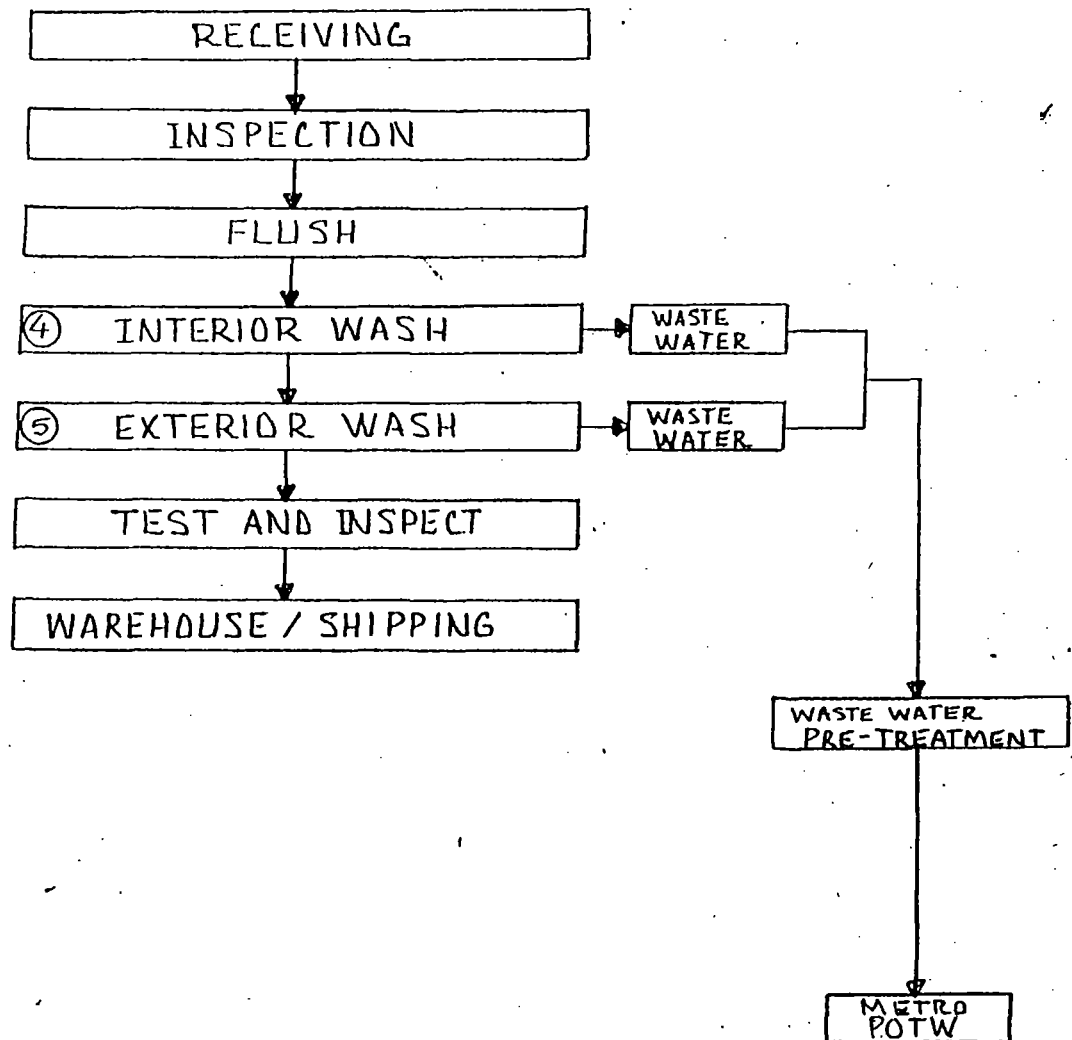
TIGHT HEAD RECONDITIONING PRODUCTION

① ② A PROCESS THAT GENERATES WASTE WATER

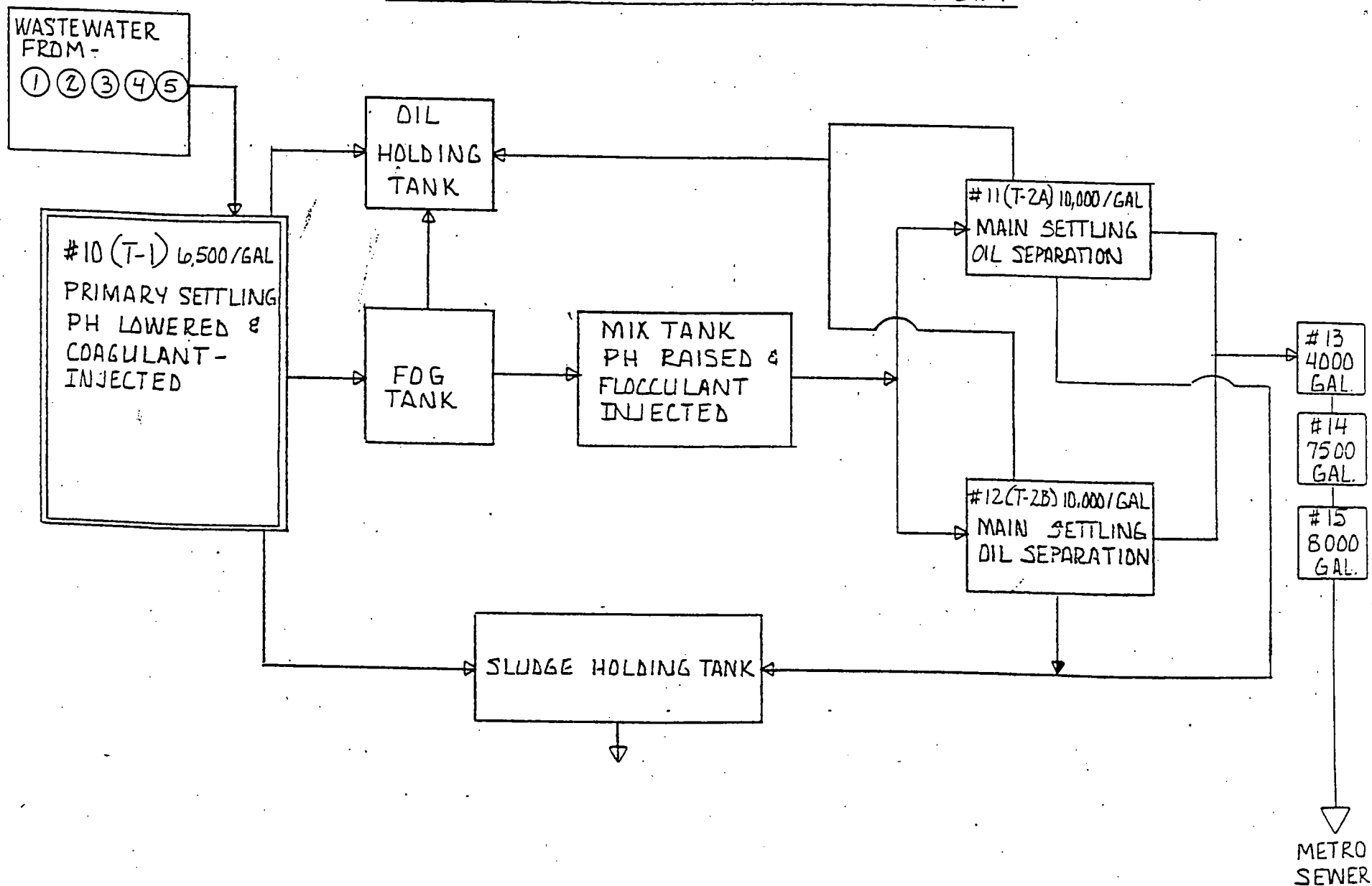
OPEN-HEAD RECONDITIONING PRODUCTIONEVAPORATION

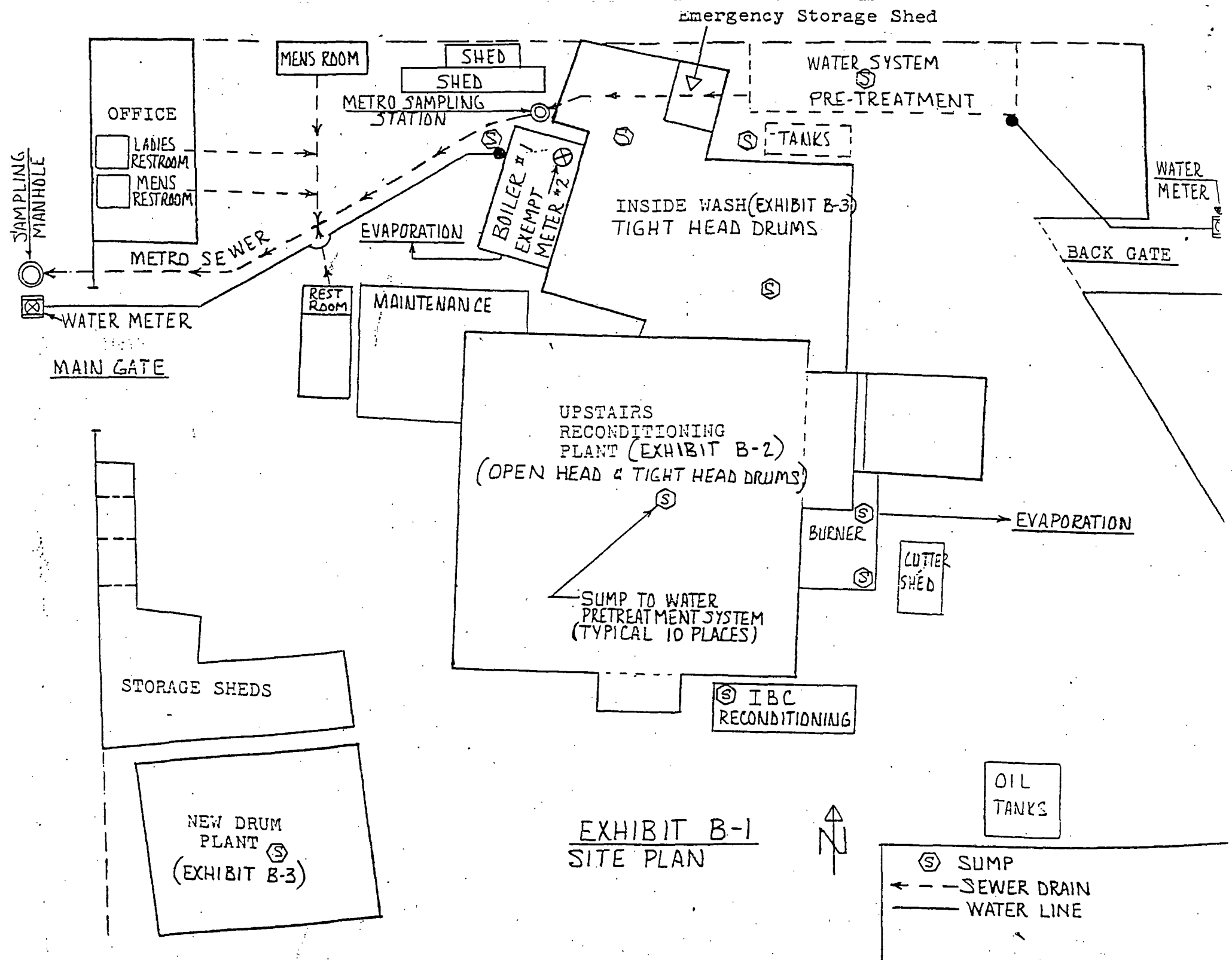
NEW DRUM PRODUCTION

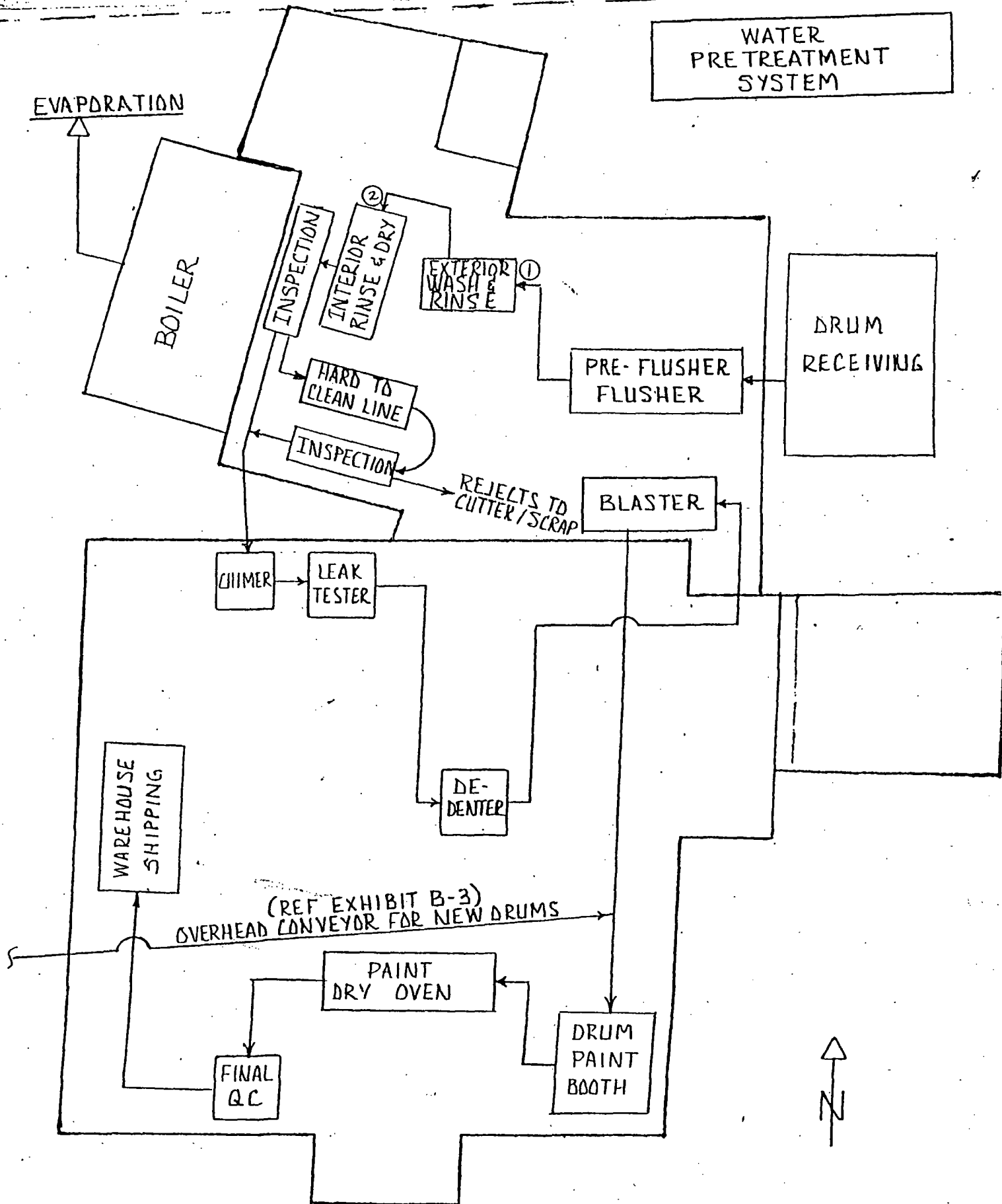
③ A PROCESS THAT GENERATES WASTE WATER.

IBC (TOTE) RECONDITIONING PRODUCTION

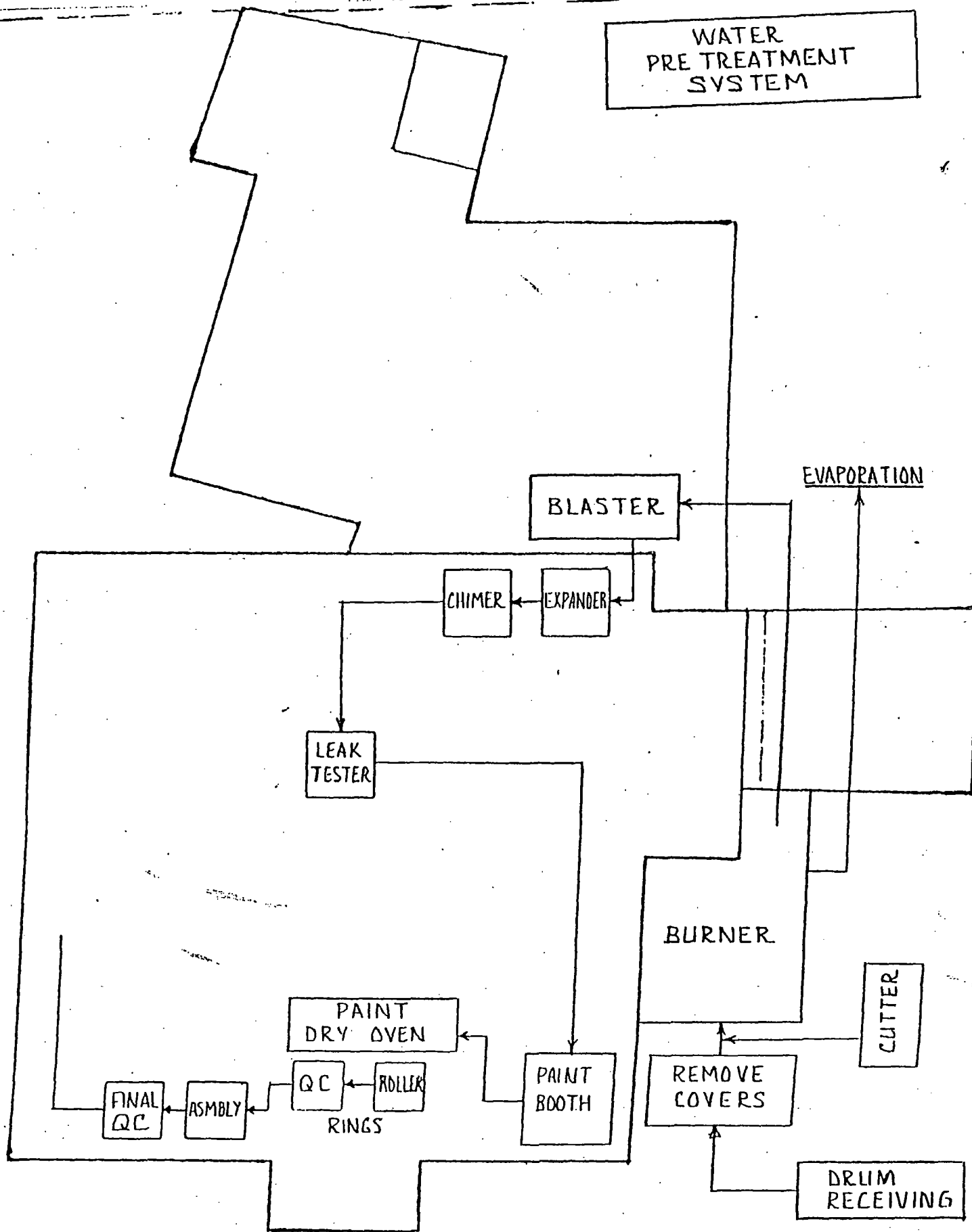
④⑤ A PROCESS THAT GENERATES WASTE WATER

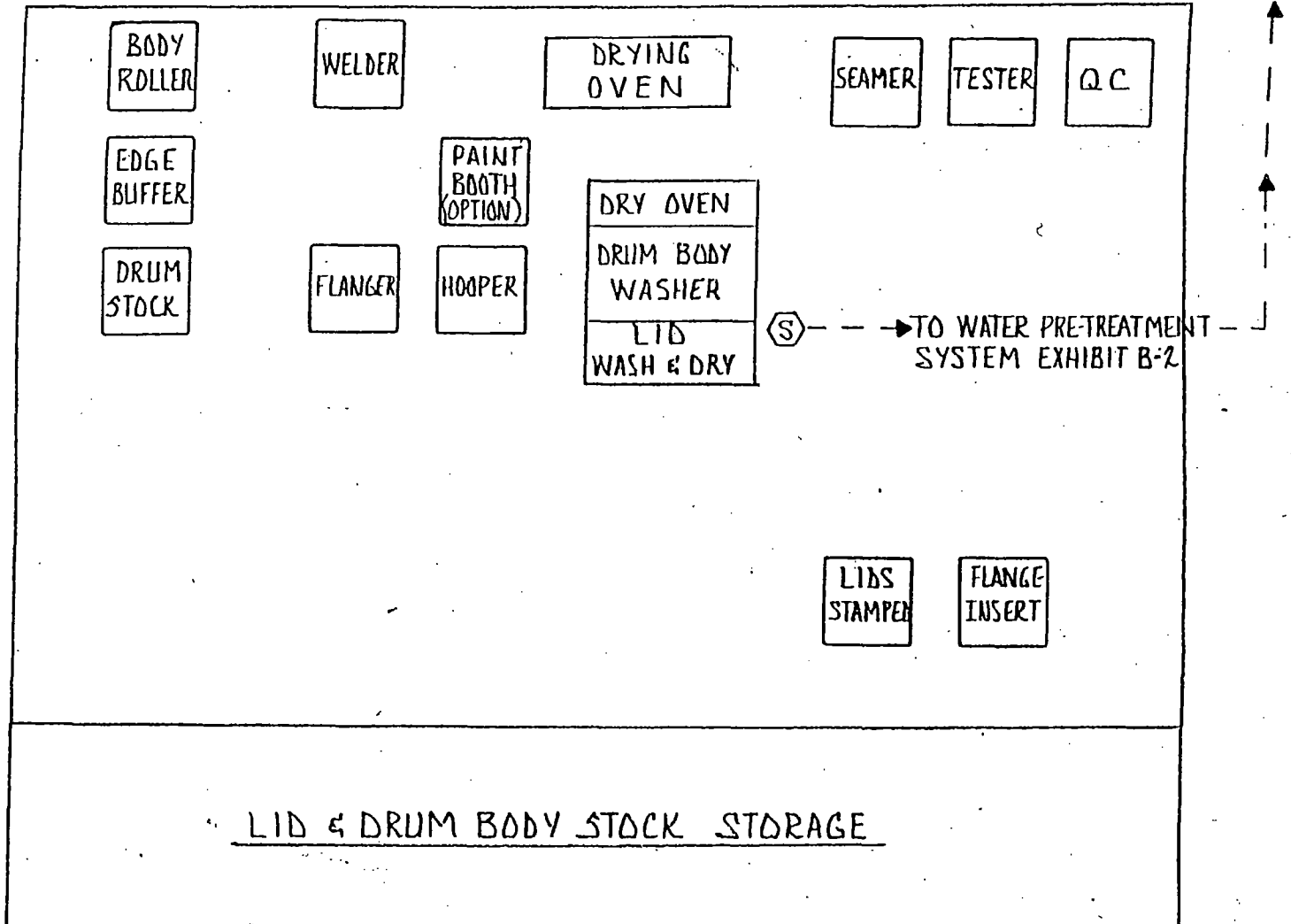






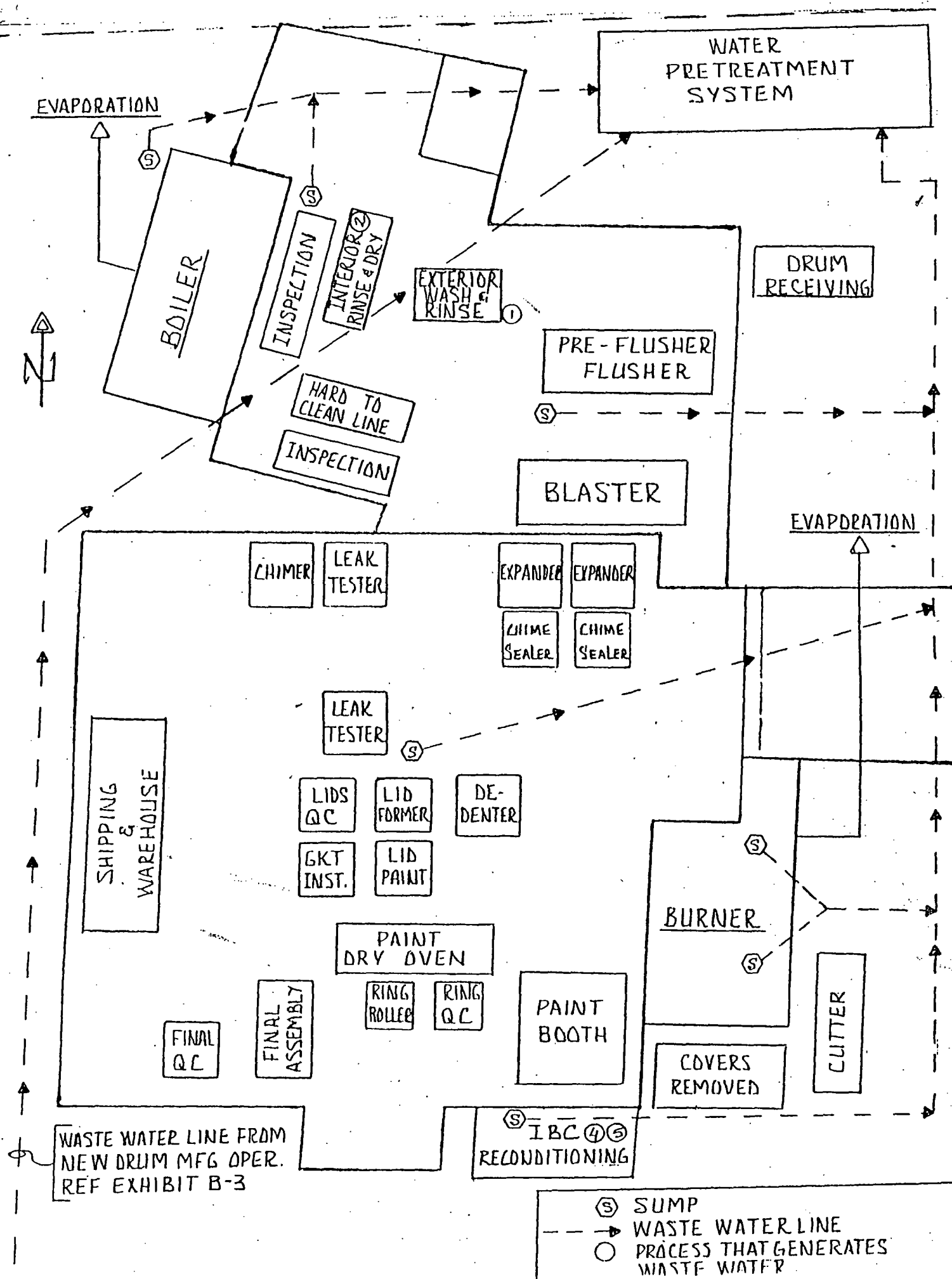
OPEN-HEAD RECONDITIONING OPERATION EXHIBIT B-3

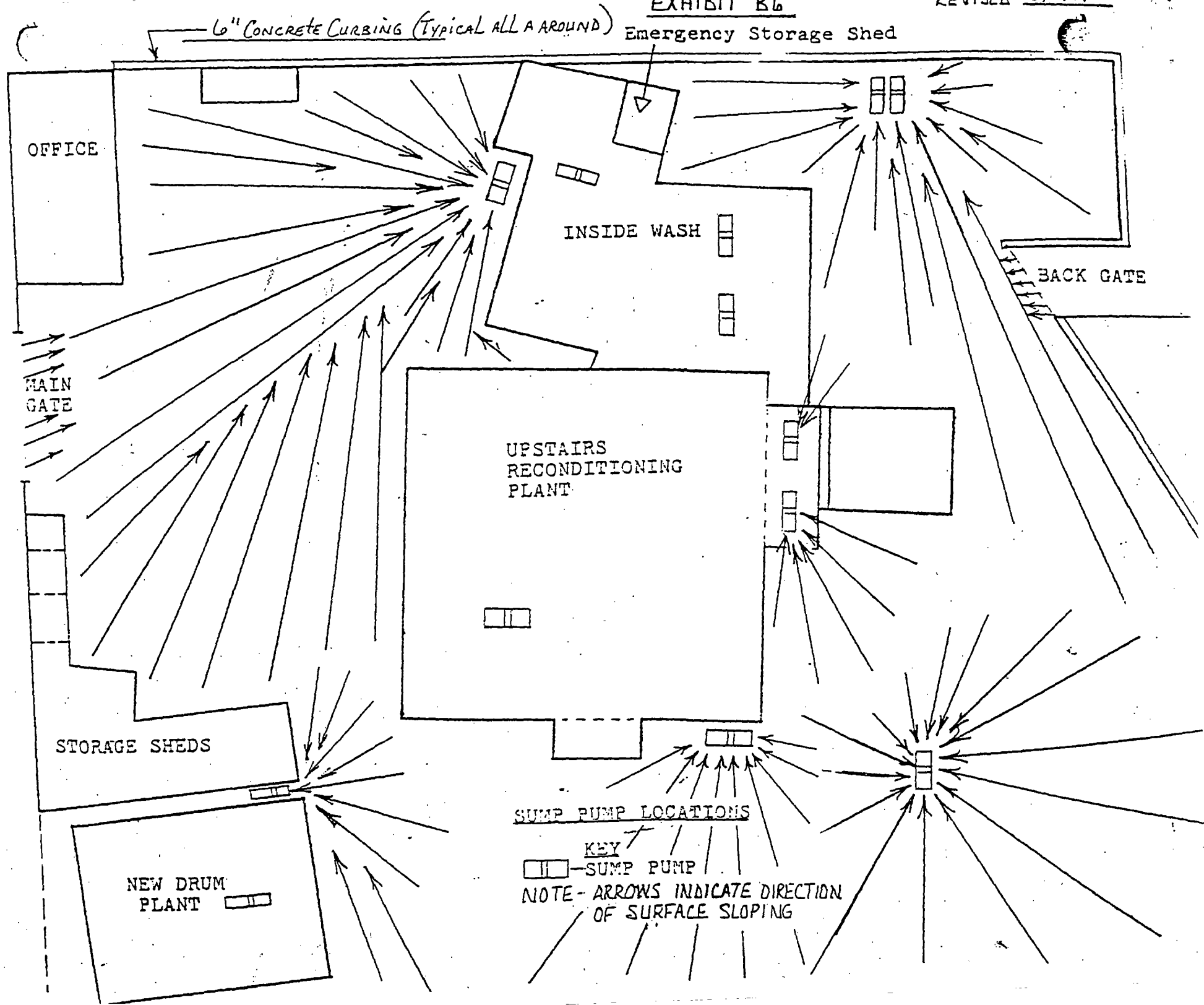




NEW DRUM OPERATION

Ⓢ SUMP
- - -> WASTEWATER LINE





Community Right-to-Know
(REQUIRED INFORMATION)

ID #: WA6000064064

(12-digit number beginning with CRK or WA)

Facility Identification		Main Contact	
Name <u>INDUSTRIAL CONTAINER SERVICES - WA, LLC</u>		Name <u>RICK CABUCCO</u> Email <u>RICK.CABUCCO@ICONSERV.COM</u>	
Address <u>7152 1st AVE. So.</u>		Title <u>GENERAL MANAGER</u> Phone <u>(206) 763-2345</u> Fax <u>(206) 763-2699</u>	
City <u>SEATTLE</u> County <u>KING</u> State <u>WA</u> Zip <u>98108</u>		Mailing Address <u>Must be included if different from Facility Address</u>	
Latitude <u>47° 33' N</u> Longitude <u>122° 20' W</u>		Address _____	
SIC Code <u>7699</u> Dun & Bradstreet No. <u>03 9911 3699</u>		City _____ State _____ Zip _____	
Owner/Operator		Emergency Contact	
Name <u>INDUSTRIAL CONTAINER SERVICES, LLC</u>		Name <u>RICK CABUCCO</u> Title <u>GENERAL MANAGER</u>	
Street <u>1540 GREENWOOD AVE.</u>		Phone <u>(206) 763-2345</u> 24-hr. Phone <u>(206) 612-3119</u>	
City <u>MONTBELLO</u> State <u>CA</u> Zip <u>90640</u> Phone <u>(323) 724-8507</u>		Name <u>JIM FUNDERBURG</u> Title <u>MAINTENANCE MANAGER</u>	
		Phone <u>(206) 763-2345</u> 24-hr. Phone <u>(206) 465-0150</u>	

Important: Read all instructions before completing form.

Reporting Period: From January 1 to December 31, 2005

☐ Subject to section 112r of Clean Air Act

Chemical Description	Physical and Health Hazards (check all that apply)	INVENTORY	Storage Codes			Storage Locations (Non-Confidential)
			Container Type	Pressure	Temperature	
CAS <u>000067641</u> Trade Secret <input type="checkbox"/> Chem. Name <u>ACETONE</u> EHS Name _____ Check all that apply <input checked="" type="checkbox"/> Pure <input type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS CAS <u>000107211</u> Trade Secret <input type="checkbox"/> Chem. Name <u>ANTIFREEZE</u> EHS Name _____ Check all that apply <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>716</u> Max. Amount (lbs.) <u>270</u> Avg. Amount (lbs.) <u>2</u> Max. Daily Amount (code) <u>2</u> Avg. Daily Amount (code) <u>365</u> No. of Days On-site	<u>D</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT C-2</u>		
CAS <u>001310732</u> Trade Secret <input type="checkbox"/> Chem. Name <u>CAUSTIC SODA</u> EHS Name <u>SODIUM HYDROXIDE</u> Check all that apply <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input checked="" type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>1200</u> Max. Amount (lbs.) <u>500</u> Avg. Amount (lbs.) <u>3</u> Max. Daily Amount (code) <u>3</u> Avg. Daily Amount (code) <u>365</u> No. of Days On-site	<u>D</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT A-2</u>		

Certification (Read and sign after completing all sections)

I certify under penalty of law that I have personally examined and am familiar with the information submitted in pages one thru 5, and that based on my inquiry of these individuals responsible for obtaining the information, I believe that the submitted information is true, accurate, and complete.

RICK CABUCCO - GENERAL MANAGER
Name and official title of owner/operator's authorized representative

Signature

7/13/06
Date Signed

OPTIONAL ATTACHMENTS

- ☒ I have attached a site plan
☐ I have attached a list of site coordinate abbreviations
☐ I have attached a description of dikes and other safeguard measures

Facility ID# WAD00064084
 Facility Name INDUSTRIAL CONTAINER SERVICES

TIER TWO CONTINUATION FORM

Chemical Description	Physical and Health Hazards (check all that apply)	INVENTORY	Storage Codes			Storage Locations (Non-Confidential) Only 105 characters available including spaces (Please Print)
			Container Type	Pressure	Temperature	
CAS <u>001310732</u> Trade Secret <input type="checkbox"/> Chem. Name <u>CAUSTIC SODA</u> EHS Name <u>SODIUM HYDROXIDE 25%</u> Check all that apply: <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input checked="" type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input checked="" type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>4240</u> Max Amt (lbs.) <u>2000</u> Avg. Amt (lbs.) <u>03</u> Max. Daily Amt (code) <u>03</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>0</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT A-3</u>		
CAS <u>068476346</u> Trade Secret <input type="checkbox"/> Chem. Name <u>DIESEL FUEL #2</u> EHS Name _____ Check all that apply: <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>7000</u> Max Amt (lbs.) <u>7000</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>A</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT A-2</u>		
CAS <u>064742549</u> Trade Secret <input type="checkbox"/> Chem. Name <u>MOTOR OIL</u> EHS Name _____ Check all that apply: <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>825</u> Max Amt (lbs.) <u>300</u> Avg. Amt (lbs.) <u>2</u> Max. Daily Amt (code) <u>2</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>D</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT B-1</u>		
CAS <u>000025068</u> Trade Secret <input type="checkbox"/> Chem. Name <u>EPOXY PAINT MIXTURES</u> EHS Name _____ Check all that apply: <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input type="checkbox"/> Immediate (acute) <input type="checkbox"/> Delayed (chronic)	<u>12012</u> Max Amt (lbs.) <u>5005</u> Avg. Amt (lbs.) <u>4</u> Max. Daily Amt (code) <u>4</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>D</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT C-2</u>		
CAS <u>007705080</u> Trade Secret <input type="checkbox"/> Chem. Name <u>FERRIC CHLORIDE</u> EHS Name _____ Check all that apply: <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>1260</u> Max Amt (lbs.) <u>630</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>E</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT A-3</u>		

Facility ID# WAD000064084
 Facility Name INDUSTRIAL CONTAINER SERVICES

TIER TWO CONTINUATION FORM

Chemical Description	Physical and Health Hazards (check all that apply)	INVENTORY	Storage Codes			Storage Locations (Non-Confidential) Only 105 characters available including spaces (Please Print)
			Container Type	Pressure	Temperature	
CAS <u>064742656</u> Trade Secret <input type="checkbox"/> Chem. Name <u>HYDRAULIC FLUID</u> EHS Name _____ Check all that apply <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>818</u> Max Amt (lbs.) <u>202</u> Avg. Amt (lbs.) <u>2</u> Max. Daily Amt (code) <u>2</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>D</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT C-1</u>		
CAS <u>007647010</u> Trade Secret <input type="checkbox"/> Chem. Name <u>MURIATIC ACID</u> EHS Name _____ Check all that apply <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>1680</u> Max Amt (lbs.) <u>840</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>0</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT A-3</u>		
CAS <u>000074986</u> Trade Secret <input type="checkbox"/> Chem. Name <u>PROPANE</u> EHS Name _____ Check all that apply <input checked="" type="checkbox"/> Pure <input type="checkbox"/> Mix <input type="checkbox"/> Solid <input type="checkbox"/> Liquid <input checked="" type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input checked="" type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>5754</u> Max Amt (lbs.) <u>5229</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>A</u> <u>2</u> <u>7</u>	<u>SEE ATTACHMENT C-3</u>		
CAS <u>006834920</u> Trade Secret <input type="checkbox"/> Chem. Name <u>Sodium Metasilicate</u> EHS Name _____ Check all that apply <input checked="" type="checkbox"/> Pure <input type="checkbox"/> Mix <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>2450</u> Max Amt (lbs.) <u>1000</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>J</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT B-1</u>		
CAS <u>007632000</u> Trade Secret <input type="checkbox"/> Chem. Name <u>Sodium Nitrite</u> EHS Name _____ Check all that apply <input checked="" type="checkbox"/> Pure <input type="checkbox"/> Mix <input checked="" type="checkbox"/> Solid <input type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input checked="" type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input type="checkbox"/> Delayed (chronic)	<u>2040</u> Max Amt (lbs.) <u>800</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	<u>J</u> <u>1</u> <u>4</u>	<u>SEE ATTACHMENT C-1</u>		

Facility ID# WAD000064084
 Facility Name INDUSTRIAL CONTAINER SERVICES

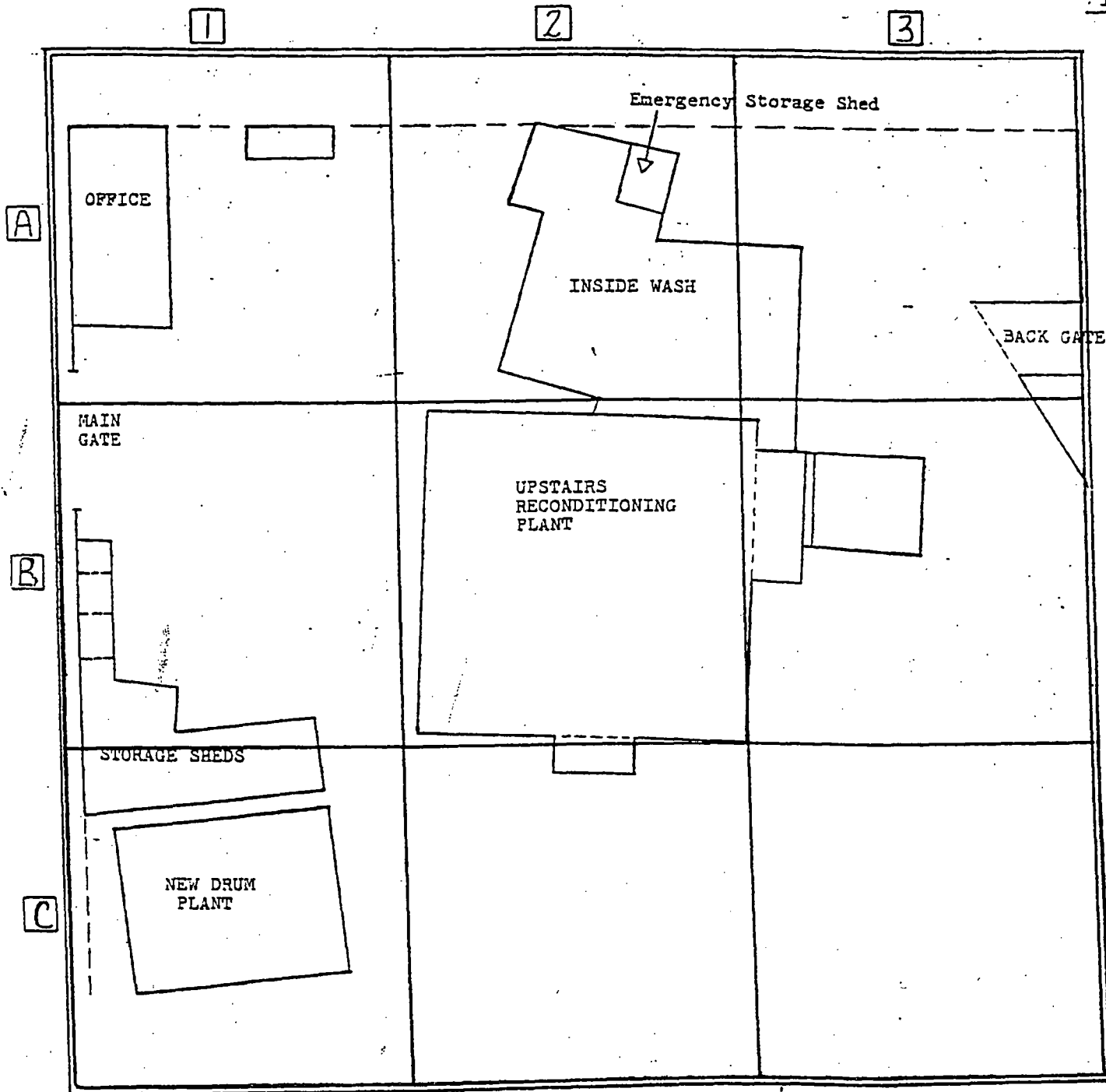
TIER TWO CONTINUATION FORM

Chemical Description	Physical and Health Hazards (check all that apply)	INVENTORY	Storage Codes			Storage Locations (Non-Confidential) <i>Only 105 characters available including spaces (Please Print)</i>
			Container Type	Pressure	Temperature	
CAS <u>007664939</u> Trade Secret <input type="checkbox"/> Chem. Name <u>SULFURIC ACID</u> EHS Name <u>SULFURIC ACID</u> Check all that apply <input checked="" type="checkbox"/> Pure <input type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input checked="" type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input checked="" type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>6100</u> Max Amt (lbs.) <u>3000</u> Avg. Amt (lbs.) <u>3</u> Max. Daily Amt (code) <u>3</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	Container Type <u>0</u> Pressure <u>1</u> Temperature <u>4</u>	<u>SEE ATTACHMENT A-3</u>		
CAS <u>000108883</u> Trade Secret <input type="checkbox"/> Chem. Name <u>TOLUENE</u> EHS Name _____ Check all that apply <input checked="" type="checkbox"/> Pure <input type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input checked="" type="checkbox"/> Immediate (acute) <input checked="" type="checkbox"/> Delayed (chronic)	<u>398</u> Max Amt (lbs.) <u>200</u> Avg. Amt (lbs.) <u>2</u> Max. Daily Amt (code) <u>2</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	Container Type <u>D</u> Pressure <u>1</u> Temperature <u>4</u>	<u>SEE ATTACHMENT C-2</u>		
CAS _____ Trade Secret <input type="checkbox"/> Chem. Name <u>ENAMEL PAINT</u> EHS Name _____ Check all that apply <input type="checkbox"/> Pure <input checked="" type="checkbox"/> Mix <input type="checkbox"/> Solid <input checked="" type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input checked="" type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input type="checkbox"/> Immediate (acute) <input type="checkbox"/> Delayed (chronic)	<u>35,284</u> Max Amt (lbs.) <u>22,485</u> Avg. Amt (lbs.) <u>4</u> Max. Daily Amt (code) <u>4</u> Avg. Daily Amt (code) <u>365</u> No. of Days Onsite	Container Type <u>D</u> Pressure <u>1</u> Temperature <u>4</u>	<u>SEE ATTACHMENT C-2</u>		
CAS _____ Trade Secret <input type="checkbox"/> Chem. Name _____ EHS Name _____ Check all that apply <input type="checkbox"/> Pure <input type="checkbox"/> Mix <input type="checkbox"/> Solid <input type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input type="checkbox"/> Immediate (acute) <input type="checkbox"/> Delayed (chronic)	_____ Max Amt (lbs.) _____ Avg. Amt (lbs.) _____ Max. Daily Amt (code) _____ Avg. Daily Amt (code) _____ No. of Days Onsite	Container Type _____ Pressure _____ Temperature _____			
CAS _____ Trade Secret <input type="checkbox"/> Chem. Name _____ EHS Name _____ Check all that apply <input type="checkbox"/> Pure <input type="checkbox"/> Mix <input type="checkbox"/> Solid <input type="checkbox"/> Liquid <input type="checkbox"/> Gas <input type="checkbox"/> EHS	<input type="checkbox"/> Fire <input type="checkbox"/> Sudden Release of Pressure <input type="checkbox"/> Reactivity <input type="checkbox"/> Immediate (acute) <input type="checkbox"/> Delayed (chronic)	_____ Max Amt (lbs.) _____ Avg. Amt (lbs.) _____ Max. Daily Amt (code) _____ Avg. Daily Amt (code) _____ No. of Days Onsite	Container Type _____ Pressure _____ Temperature _____			

HAZARDOUS MATERIAL SITE MAP

INDUSTRIAL CONTAINER SERVICES

ADDRESS -

7152 1st Ave So.
SEATTLE, WA. 98108

- **Make sure that process chemicals are sorted and labeled.** _____
- **Handle all outgoing waste stream loading and accountability. Maintain back dock storage area.** _____
- **Daily drain free water from oil tank.** _____
- **Check all four oil skimmers for proper operation.** _____

SYSTEMS CONTROL LEADMAN _____ **Date** _____

Daily AM write down 3 water meter readings

Fill water system chemicals

Caustic tank 8" caustic and rest water

Fill yellow floc drum with one cup floc and then water

Fill ferric chloride drum with 1 bucket water to two buckets ferric

Make sure both PH controllers are in the run mode

The acid controller should come on at 5ph and off at 4ph

The caustic controller should come on at 8ph and off a 9ph

Turn on drag chain, open drain valve to evap tank every hour till clear

Every Monday drain Metro outgoing tank and wash out

- **Pump all oils off top and see that operator of flusher cleans six screens on preflusher and flusher tanks.**
- **Operate belt filter press for dewatering of drop-out sludge and heat oven. _____**
- **Do inventory of chemicals used in operation of water system and drum counts every Monday. _____**
- **All drums brought to staging or collection areas will be evaluated by systems control lead man and labeled, dated and sorted. _____**
- **Operate recycled water system (See job description.) _____**
- **Twice a day do EPA walk-thru inspection for leaks. _____**
- **Check all 12 sump pumps and use alternate rain water collection system for additional storage capacity. _____**
- **Collect water system metro and flock samples every four hours for evaluation. _____**
- **Keep all water system area machines and ground clean and painted. _____**
- **Make sure that BT staging dock employees are pre-draining oil drums prior to processing and air pump working. _____**

OPERATION OF Industrial Container Systems RECYCLED WATER SYSTEM

This job is an auxiliary function of combined maintenance and plant production.

- All sump pumps discharge to overhead collection box. Overhead collection box discharges into Tank T-1.
- Functions of Tank T-1
 - The primary is a batch-operated systems controlled by a primary float switch and a secondary float switch.
 - When the system turns on recirculation pump #1 comes on and circulates the water through T-1 and past the PH probe #1 which is always trying to maintain PH between 4 and 5. (The pump comes on at 5 and off at 4.) The PH probe has to be checked for accuracy and recalibrated if not correct. The PH adjustment is done by an automatic pump, which injects sulfuric acid into Tank T-1, and the acid tank must be kept full.
 - When the system turns on it starts the discharge pump #2 in T-1 on and discharges at a rate of 60gpm which is regulated by a valve and the coagulant is automatically pumped into the suction side to pump #2 on T-1. (This chemical is currently 25% ferric chloride and 75% water.) This water discharged from pump #2 is sent into the inlet side of the fog/baffle tank.
 - Also in T-1 tank is a belt skimmer for removal of free oil separation.
- Functions of the fog/baffle tank.
 - To slow the water down and allow mixing time, the PH is read at the inlet to the fog tank by PH probe #2. Free oil that rises to the surface is removed by gravity skimming. PH probe #2 is trying to always maintain a PH between 8 and 10. Both caustic soda and poly floc are injected at this point. At this point you should begin to see a coagulant effect in the water of numerous very small droplets. The water discharges into T2A tank.

The injected mixture of 10% caustic soda and 90% water is automatically pumped into the fog tank and the flocculent chemical is injected automatically by pump into this same tank. The mixture of the proper levels of caustic, ferric chloride and poly floc results in a larger flocculent action that pulls all the small droplets together into a much larger droplet. Then outflows to tank T-2A.

- **Functions of T-2A**

- As the water is processed into the tank this tank accomplish a couple of things. The solids and oils that have been pulled together are allowed time to settle to the bottom. There is an automatic drag chain in the tank that makes one revolution per hour and scrapes the settled bottoms to a collection point at the exit end of tank T-2A where four times a day these accumulations are pumped with a low velocity air pump into a collection tank where they are allowed time to do some gravity separation of solids and water. The water is drained eventually and processed back through the process again. The wet solids are processed through a filter press for final removal of liquids. The oils that rise in the top of T-2A are removed with a gravity drain and discharged to the same tank (T-1A) as the stream from the first belt skimmer in T-1. The tank T-1A solutions contain water and oil which gravity separate, the water is drained and goes back through the system and the oils are pumped into a collection tank for removal by a private contractor.

The water is then discharged into a 8000 gallon collection tank from T-2A which allow additional settling time. This tank is nothing but additional settling time for any material that might not have been removed already. Once a day this tank is pumped from the bottom to remove any carry-over settling that may have occurred. This tank discharges into a collection box with two sump pumps (operating off of separate power supplies.) The first pump is the primary pump that discharges to Metro outflow, the second pump only operates when there is a failure with the primary pump.

There is a sample collection valve on this discharge pipe immediately before it leaves our property. This is where we take a draw sample twice a day and put it on the maintenance office front porch along with a flocked sample from the fog tank. The outgoing discharge must meet Metro water quality standards for fats, oils and grease and PH limits at this time.

LIST OF EMERGENCY EQUIPMENT

CONTAINMENT BUOYS (100FT.)

In the Emergency Storage Shed near the Inside Wash building. To be used in case of a spill into surface waters.

NON-SPARKING SHOVEL

In the closet in the office.

FIRST AID KIT & NEUTRALIZERS

In the office hallway near the bathrooms.

INTERCOM ALARM

Audible from all areas of facility. In case of emergency, the code is: "FIRE, FIRE" in the (Identify Area.)

EMERGENCY SHOWER STATIONS

- # 1 – Near tank number 2 in the Tank Farm
- # 2 – At the east side of the Inside Wash Floor.
- # 3 – In the Inside Wash Floor, near the Upstairs Reconditioning Plant.
- # 4 – In the Inside Wash Floor by the Stripper.

EYE WASH STATIONS

- # 1 – In the same place as the #1 Emergency Shower by tank #2.
- # 2 – Same place as the Emergency shower #3. In the Inside Wash floor near the upstairs reconditioning plant.

List of Emergency Equipment

EYE WASH STATION

3 – Same location as shower #4. In the emergency Inside Wash Floor by the stripper.

THREE MAN INFLATABLE

In the emergency storage shed.

FIRE HOSES

1 – By the storage shed next to the main gate. $\frac{3}{4}$ " x 75' black hose.

2 – At the corner exit by the paint machine of the Upstairs Reconditioning Plant. 1" x 100' black hose.

3 – By the tank #2 in the Tank Farm. 50' x 2" hose.

4 – On the side of the Stripper, near the Inside Wash Floor. 50' x 2" hose.

Fire Extinguishers (Dry Chemical)

1 – Outside of storage shed near main entrance. 5 lbs. of dry chemical.

2 – Inside of storage shed near main entrance 5 lbs. Of dry chemical.

Fire Extinguishers (Dry Chemical)

3 – Inside the New Drum Plant next to the west side exit.
10 lbs. of dry chemical.

4 – Next to Stripper in the Inside Wash Floor. 10 lbs. of
dry chemical.

5 – Outside the storage shed next to the Inside Wash
floor. 10 lbs. of dry chemical.

Fire Extinguishers (Carbon Dioxide)

1 – Next to the east side exit of the New Drum Plant. 15
lbs. of dry chemical.

2 – Next to the west door of the paint room. 15 lbs.
carbon dioxide. (South side of the Upstairs Reconditioning
Plant.

3 – Near the paint machine, inside (south) wall of the
Upstairs Reconditioning Plant. 15 lbs. carbon dioxide.

4 – On the West side wall (inside) of the Upstairs
Reconditioning Plant. 15 lbs. of carbon dioxide.

5 – Next to the middle east side exit of the Upstairs
Reconditioning Plant. Near the Inside Wash Floor. 15 lbs.
carbon dioxide.

6 – Same place as #5. Upstairs Reconditioning Plant. 15
lbs. carbon dioxide.

Fire Extinguishers (Carbon Dioxide)

7 – In front of the middle, east exit of the Upstairs Reconditioning Plant. 15 lbs. carbon dioxide.

8 – Near the paint machine next to the corner (east side) exit of the Upstairs Reconditioning Plant. 15 lbs. carbon dioxide.

9 – Same place as #8. Corner (east side) exit of the Upstairs Reconditioning Plant. 15 lbs. carbon dioxide.

#10 – Same place as #8 and #9. East corner of Upstairs Reconditioning Plant. 15 lbs. carbon dioxide.

#11 – Near the Stripper in the Inside Wash. 15 lbs. carbon dioxide.

#12 – Outside of the storage shed, next to the Inside Wash tank. 15 lbs. carbon dioxide.

#13 – Same place as #12. Next to the storage shed and the Inside Wash tank in the Lower Floor. 15 lbs. carbon dioxide.

#14 – In the middle of the maintenance room. 15 lbs. carbon dioxide.

#15 – Inside Men's washroom near the office. 15 lbs. carbon dioxide.

Fire Extinguishers (Water Pressurized)

1 – On the right side of the north exit of the bag storage. Next to the New Drum Plant. 2.5 gallons of pressurized water.

2 – Same place as #1. Next to the door of the bag storage building by the New Drum Plant. 2.5 gallons pressurized water.

3 – On the second floor of the bag storage. 2.5 gallons pressurized water.

4 – In the middle of the Inside Wash Floor. Next to the eye wash and emergency shower. 2.5 gallons pressurized water.

5 – In the middle of the maintenance room. 2.5 gallons pressurized water.

6 – In the middle of the maintenance room. 2.5 gallons pressurized water.

ATTACHMENT 5



Illinois Union Insurance Company

Premises Pollution Liability Insurance Policy (Declarations)

This Policy is issued by the stock insurance company listed above (herein called the "Insurer").

THIS IS A CLAIMS MADE POLICY WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED, AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND WILL ERODE THE LIMITS OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION.

THE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION, THIS POLICY AND ANY ENDORSEMENTS OR SCHEDULES ATTACHED HERETO, CONSTITUTE THE INSURANCE POLICY.

Policy No. : PPL G22086492 001		Renewal of: NEW	
Item 1.	Named Insured: Industrial Container Services, LLC Principal Address: 1540 S. Greenwood Avenue, P.O. Box 2067, Montebello, CA 90640		
Item 2.	Policy Period. From: 12:01 A M February 22, 2005 To: 12:01 A M February 22, 2010 (Local time at the address shown in Item 1.)		
Item 3.	Coverage(s) Provided: B,C,D,E and F (Coverage provided only for those specific coverages Outlined in Section I. Insuring Agreements, which are identified here)		
Item 4.	Retroactive Date: NONE		
Item 5.	Limits of Liability. a. 10,000,000 Per Claim, Remediation Cost, or Legal Defense Expense Limit b. 10,000,000 All Claims, Remediation Costs, or Legal Defense Expense Limit		
Item 6.	Self Insured Retention. See endorsement 003		
Item 7.	Premium: 319,207 (100% minimum earned)		
Item 8.	Notice to Insurer: a. Notice of Claim, Remediation Cost, or Legal Defense Expense: ACE Casualty Risk Claims 1133 Avenue of the Americas – 38th Floor New York, NY 10036 Attn: Environmental Claims Unit Facsimile: (212) 703-7159 b. All Other Notices. Unit Underwriting Officer ACE Casualty Risk 1601 Chestnut Street Philadelphia, PA 19103		

Forms and Endorsements Attached at Policy Issuance:

Endorsement Number:	Form Number:	Form Name:
	PF-12956a (02/03)	Premises Pollution Liability Insurance Policy
001	PF-13294a (08/03)	Schedule of Known Conditions Endorsement
002	PF-14495 (07/03)	Business Interruption and Delay Expense Coverage Endorsement
003	PF-15106 (01/04)	Aggregated Self-Insured Retention Endorsement
004	PF-15105 (01/04)	Additional Insured(s) Endorsement
005	PF-15117 (01/04)	Schedule of Non-Owned Disposal Site(s) Endorsement II
006	MANU	Coverage Limitation & Re-Opener of Coverage Pollution Condition Specific Endorsement
007	MANU	Earned Premium Endorsement
008	MANU	Environmental Laws Amendatory Endorsement
009	MANU	Material Change in Use Exclusion Endorsement
010	MANU	Modified Definition of Covered Locations – Automatic Acquisition Coverage Endorsement
011	MANU	Modified Transportation Coverage Endorsement
012	PF-13288 (02/03)	Exception to War or Hostile Acts Exclusion for Certified Acts of Terrorism; Cap on Losses from Certified Acts of Terrorism
013	TR-17351 (01/05)	Conditional Exclusion of Terrorism Endorsement (Relating to the Disposition of Federal Terrorism Risk Insurance Act of 2002)
014	TR-17639 (01/05)	Disclosure of Premium and Estimated Premium for Certified Acts of Terrorism Insurance Coverage (Pursuant to the Terrorism Risk Insurance Act of 2002)
015	XS-1U95d (03/02)	Service of Suit Endorsement
016	LD-5S23g (02/05)	Signature Endorsement
	XS-1U93e (02/01)	Surplus Lines Notification

IN WITNESS WHEREOF, the Insurer has caused this Policy to be countersigned by a duly authorized representative of the Insurer.



AUTHORIZED REPRESENTATIVE

DATE: February 22, 2005
MO/DAY/YR

Item 9. **Schedule of Covered Locations:**

7 processing facilities and 4 distribution facilities on file with the company

Item 10. **Producer Name and Address:**

**ARTHUR J GALLAGHER RISK MANAGEMENT
125 S WACKER DR SUITE 500
CHICAGO, IL 60606**



- ☒ Illinois Union Insurance Company
☐ Westchester Surplus Lines Insurance Company
☐ INA Surplus Insurance Company

Premises Pollution Liability Insurance Policy

This Policy is issued by the stock insurance company listed above (herein called "the Insurer").

THIS IS A CLAIMS MADE POLICY WHICH COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER, IN WRITING, DURING THE POLICY PERIOD. PLEASE READ THIS POLICY CAREFULLY. SOME OF THE PROVISIONS CONTAINED IN THIS POLICY RESTRICT COVERAGE, SPECIFY WHAT IS AND IS NOT COVERED AND DESIGNATE RIGHTS AND DUTIES. LEGAL DEFENSE EXPENSES ARE SUBJECT TO AND WILL ERODE THE LIMITS OF LIABILITY AND ANY APPLICABLE SELF-INSURED RETENTION

Throughout this Policy the words "the Insurer" shall refer to the company providing this insurance. Other words and phrases that appear in quotation marks have special meanings and are defined in Section IV. - Definitions

In consideration of the payment of the Premium and in reliance upon all statements made in the Application including the information furnished in connection therewith, and subject to all terms, definitions, conditions, exclusions and limitations of this Policy, the Insurer agrees to provide insurance coverage to the "insured" as described herein

I. INSURING AGREEMENTS

The Insurer agrees to pay on behalf of the "insured" for Coverage(s) Provided, as identified in Item 3. of the Declarations for:

- A. "Remediation costs" in excess of any Self-Insured Retention amount listed in the Declarations arising out of "pollution conditions" on, at, under, or migrating from the "Covered Location(s)" listed in the Declarations, provided such "pollution conditions" are first discovered during the "Policy Period" and reported to the Insurer, in writing, during the "Policy Period" or any applicable "extended reporting period"
- B. "Remediation costs" in excess of any Self-Insured Retention amount listed in the Declarations, arising out of "pollution conditions" on, at, under, or migrating from the "Covered Location(s)" listed in the Declarations, where such "remediation costs" result from a "claim" or "government action" first made against the "insured" during the "Policy Period" and reported to the Insurer, in writing, during the "Policy Period" or any applicable "extended reporting period"
- C. Monetary award, judgment, or settlement of compensatory damages, in excess of any Self-Insured Retention amount listed in the Declarations, resulting from a "claim" for "bodily injury" or "property damage" arising out of "pollution conditions" on, at, under, or migrating from the "Covered Location(s)" listed in the Declarations, where such "claim" is first made against the "insured" during the "Policy Period" and reported to the Insurer, in writing, during the "Policy Period" or any applicable "extended reporting period"
- D. "Bodily injury", "property damage", or "remediation costs" in excess of any Self-Insured Retention amount listed in the Declarations, resulting from a "claim" arising out of "pollution conditions" caused by the "insured's" waste or products during the course of "transportation", where such "claim" is first made against the "insured" during the "Policy Period" and reported to the Insurer, in writing, during the "Policy Period" or any applicable "extended reporting period"
- E. "Bodily injury", "property damage", or "remediation costs" in excess of any Self-Insured Retention amount listed in the Declarations, resulting from a "claim" arising out of "pollution conditions" migrating from a "non-owned disposal site", where such "claim" is first made against the "insured" during the "Policy Period" and reported to the Insurer, in writing, during the "Policy Period" or any applicable "extended reporting period"
- F. "Legal defense expense" in excess of any Self-Insured Retention amount listed in the Declarations arising from a "claim", under Insuring Agreements B., C., D. or E. above, to which this Policy applies. The Insurer shall have the right and the duty to defend the "insured" against any "claim" for "bodily injury", "property damage", or "remediation costs" to which this Policy applies. The Insurer shall have no duty to defend the "insured" against any "claim" for "bodily injury", "property damage", or "remediation costs" to which this Policy does not apply.

II. LIMIT OF LIABILITY AND RETENTION

- A. It is expressly agreed that liability for any covered "claim(s)", "remediation costs", or "legal defense expense(s)" shall attach to the Insurer only after the "insured" shall have paid, in the applicable legal currency, the full amount of the Self-Insured Retention amount, shown in Item 6. of the Declarations. Under no circumstances shall the Insurer be liable to pay any amount within the Self-Insured Retention.
- B. The Limit shown in Item 5.b. of the Declarations shall be the maximum liability of the Insurer under this Policy with respect to all "claim(s)", "remediation cost(s)", and "legal defense expense(s)".
- C. Subject to Paragraph B., above, the most the Insurer shall pay per "claim", "remediation cost", or "legal defense expense" arising from the same or related "pollution condition" is the Limit shown in Item 5.a. of the Declarations.
- D. If the Insurer, or an affiliate, has issued claims-made Premises Pollution Liability coverage for the "Covered Location" in one or more policy periods and:
 - 1. The discovery of a "pollution condition" is reported to the Insurer in accordance with the terms and conditions of this Policy, then all such "pollution conditions", and any related, resultant, repeated, or continuous "pollution conditions", that are reported to the Insurer under a subsequent Premises Pollution Liability Policy shall be deemed to have been discovered during this "Policy Period", or
 - 2. A "claim" for "bodily injury", "property damage", or "remediation costs" is first made against the "insured" and reported to the Insurer in writing in accordance with the terms and conditions of this Policy, then all "claims" arising out of such "pollution conditions", or arising out of any related, resultant, repeated, or continuous "pollution conditions", shall be deemed to have been first made and reported during this "Policy Period",

provided that the "insured" has maintained Premises Pollution Liability coverage with the Insurer or an affiliate on a continuous, uninterrupted basis since the discovery of such "pollution condition" or the first such "claim" was made against the "insured", and reported to the Insurer.

III. DEFENSE AND SETTLEMENT

- A. The Insurer will have the right and the duty to defend the "insured" against a "claim" to which this insurance applies. However, such duty to defend ends once the Limits of Liability are exhausted or are tendered into a court of applicable jurisdiction, or once the "insured" refuses a settlement offer as provided in Paragraph D. below.
- B. The Insurer will have the right, but not the duty, to select legal counsel for the investigation, adjustment, and defense of any "claim(s)" covered under this Policy, which will not be done without the consent of the "insured".
- C. "Legal defense expense" reduces the Limits of Liability shown in Item 5. of the Declarations and any applicable Self-Insured Retention shown in Item 6. of the Declarations.
- D. The Insurer will present all settlement offers to the "insured". If the Insurer recommends a settlement which is acceptable to a claimant, exceeds any applicable Self-Insured Retention, and is within the Limits of Liability, and the "insured" refuses to consent to such settlement offer, then the Insurer's duty to defend shall end. The "insured" shall defend such "claim" independently. The Insurer's liability shall not exceed the amount for which the "claim" could have been settled if our recommendation had been accepted, exclusive of the Self-Insured Retention.

IV. DEFINITIONS

- A. "Bodily injury" means physical injury, illness, disease, mental anguish, or emotional distress, sustained by any person, including death resulting therefrom.
- B. "Claim" means the assertion of a legal right, including but not limited to, suits or other actions alleging responsibility or liability on the part of the "insured" for damages arising out of "pollution conditions" to which this insurance applies.
- C. "Covered Location" means any location(s) specifically listed in Item 9. of the Declarations.
- D. "Emergency response" means actions taken, and reasonable "remediation costs" incurred by the "insured" to abate and/or respond to an imminent and substantial threat to human health or the environment arising from a "pollution condition".

- E. "Environmental laws" means any federal, state, provincial, municipal or other local laws, statutes, ordinances, regulations, and all amendments thereto, including state voluntary cleanup or risk-based corrective action guidance, governing the liability of the "insured" with respect to "pollution conditions"
- F. "Extended reporting period" means the additional period of time in which to report a "claim" first made against the "insured" subsequent to the end of the "Policy Period", arising from a "pollution condition(s)" to which this insurance applies. Such "pollution condition(s)" must commence subsequent to any applicable Retroactive Date shown in Item 4. of the Declarations, but before the end of the "Policy Period"
- G. "Fungi" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents, or byproducts produced or released by "fungi"
- H. "Government action" means action taken or liability imposed by any federal, state, provincial, municipal or other local government agency or body acting under the authority of "environmental laws"
- I. "Hostile acts" means:
1. Use or threat of force or violence; or
 2. The commission of or threat to commit a dangerous act, or
 3. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system, or
 4. Intimidation or coercion of a government or the civilian population or any segment thereof, or the disruption of the economy, or any segment of the economy; or
 5. The release of pathogenic or poisonous biological or chemical materials, if such release was intentionally caused
- J. "Insured" means the "Named Insured", any additional "insured" specifically endorsed onto this Policy, and any director, officer, partner, or employee of the "Named Insured" while acting within the scope of his or her duties as such
- K. "Legal defense expense" means reasonable legal costs, charges, and expenses, including expert charges, incurred by the "insured" in the investigation, adjustment, or defense of "claims" or suits
- L. "Named Insured" means the person or entity shown in Item 1. of the Declarations
- M. "Natural resource damages" means damages for, injury to, destruction of, or loss of fish, wildlife, biota, land, air, water, groundwater, drinking water supplies, and other similar resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States, any state or local government, any foreign government, or any Indian Tribe, including the reasonable costs of assessing such injury, destruction or loss resulting therefrom
- N. "Non-owned disposal site" means a site not owned or operated by the "insured" and in which the "insured" maintains no interest, which receives or has received the "insured's" waste, and is specifically listed on the Schedule of Non-Owned Disposal Sites attached to this Policy.
- O. "Policy Period" means the period shown in Item 2. of the Declarations, or any shorter period resulting from the cancellation of this Policy
- P. "Pollution condition" means the discovery, discharge, dispersal, release, escape, migration, or seepage of any solid, liquid, gaseous or thermal irritant including smoke, soot, vapors, fumes, acids, alkalis, chemicals, "fungi", hazardous substances, hazardous materials, or waste materials, on, in, into, or upon land and structures thereupon, the atmosphere, surface water or groundwater.
- Q. "Property damage" means:
1. Physical injury to tangible property, including all resulting loss of use of that property;
 2. Loss of use of tangible property that is not physically injured;
 3. Diminished value of property owned by third parties, or
 4. "Natural resource damages"

- R. "Remediation costs" means reasonable expenses incurred to investigate, quantify, monitor, abate, remove, dispose, treat, neutralize, or immobilize "pollution conditions" to the extent required by "environmental law". "Remediation costs" shall also include:
1. Reasonable legal cost, where such cost has been incurred with the written consent of the Insurer, and
 2. "Replacement costs"
- S. "Replacement costs" means those expenses necessarily incurred by the "insured" to repair or replace real property or physical improvements thereto, damaged during the course of responding to a "pollution condition". "Replacement costs" do not include costs associated with improvements or betterments
- T. "Responsible insured" means any employee of the "Named Insured" responsible for environmental affairs, control, or compliance at a "Covered Location", or any officer, director, or partner of the "Named Insured"
- U. "Transportation" means the movement of the "insured's" waste or products by automobile, aircraft, watercraft, or other conveyance beyond the boundaries of the "Covered Location(s)" by a person or entity, other than the "insured", engaged in the business of transporting property for hire, until such time as the waste or product arrives at the boundaries of its final destination
- V. "Underground storage tank" means any tank and associated piping and appurtenances connected thereto which tank has more than 10% of its volume below ground
- W. "War" means:
1. "War", including undeclared or civil war, or
 2. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
 3. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these

V. EXCLUSIONS

This insurance does not apply to "claim(s)", "remediation costs", "legal defense expense(s)", arising out of or related to.

A. Contractual Liability

Liability of others assumed by the "insured" through contract or agreement, except if the liability would have attached to the "insured" in the absence of such contract or agreement. This exclusion does not apply to those contracts listed in the Schedule of Insured Contracts attached to this Policy, if any.

B. Employers Liability

"Bodily injury" to:

1. An "insured" or an employee of its parent, subsidiary or affiliate
 - a. Arising out of and in the course of employment by the "insured" or its parent, subsidiary or affiliate, or
 - b. Performing duties related to the conduct of the "Named Insured's" business
2. The spouse, child, parent, brother or sister of such "insured" or employee of its parent, subsidiary or affiliate as a consequence of Paragraph 1. above

This exclusion applies.

1. Whether the "insured" may be liable as an employer or in any other capacity, and
2. To any obligation to share damages with or repay someone else who must pay damages because of such "bodily injury"

C. Fines and Penalties

Payment of fines, penalties, punitive, exemplary or multiplied damages, or injunctive relief based upon or arising out of any "insured's" knowing, willful or deliberate noncompliance with any statute, regulation, ordinance or administrative complaint. This exclusion also applies to any legal costs associated with such fines and penalties

D. First Party Property Damage

"Property damage" to real or personal property owned, leased, loaned, or rented to the "insured", or otherwise in the care, custody, or control of the "insured" This exclusion does not apply to "replacement costs" or "remediation costs"

E. Insured's Internal Expenses

Expenses incurred by the "insured" for services performed by the salaried staff and any employees of the "insured"

F. Intentional Non-Compliance

The intentional disregard of or knowing, willful or deliberate non-compliance with any statute, regulation, administrative complaint, notice of violation, notice letter, instruction of any governmental agency or body, or executive, judicial or administrative order by any "responsible insured"

G. Known Conditions

"Pollution conditions" in existence prior to the "Policy Period" and reported to a "responsible insured", but not specifically referenced in the Schedule of Known Conditions attached to this Policy.

H. Lead Based Paint and Asbestos

Lead based paint, asbestos, or asbestos containing materials, in, on, or applied to any structure

I. Naturally Occurring Materials

The presence or required removal of naturally occurring materials, except in those circumstances where such substances are present at the "Covered Location" in concentrations in excess of their natural concentration

J. Nuclear Hazard

1. To "bodily injury" or "property damage":

- a. With respect to which the "insured" under the Policy is also an "insured" under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or Nuclear Insurance Association of Canada, or would be an "insured" under any such policy but for its termination upon exhaustion of its limits of liability; or
- b. Resulting from the hazardous properties of nuclear material and with respect to which:
 - (1) Any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - (2) The "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization

2. Resulting from the hazardous properties of nuclear material, if,

- a. The nuclear material
 - (1) Is at any nuclear facility owned by, or operated by or on behalf of the "insured"; or
 - (2) Has been discharged or dispersed therefrom,
- b. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the "insured"; or
- c. The "bodily injury" or "property damage" arises out of the furnishing by the "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, located within the United States of America, its territories or possessions or Canada

3. As used in this exclusion,

- a. Hazardous properties include radioactive, toxic, or explosive properties

- b. Nuclear material means source material, special nuclear material, or byproduct material
- c. Source material, special nuclear material, and byproduct material have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof
- d. Spent fuel means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.
- e. Waste means any waste material:
 - (1) Containing byproduct material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and
 - (2) Resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility;
- f. Nuclear facility means:
 - (1) Any nuclear reactor;
 - (2) Any equipment or device designed or used for
 - (a) Separating the isotopes of uranium or plutonium,
 - (b) Processing or utilizing spent fuel; or
 - (c) Handling, processing or packaging waste,
 - (3) Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
 - (4) Any structure, basin, excavation, premises, or place prepared or used for the storage or disposal of waste;
 - (5) The site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations
- g. Nuclear reactor means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material
- h. "Property damage" includes all forms of radioactive contamination of property

K. Underground Storage Tanks

"Pollution conditions" emanating from an "underground storage tank":

- 1. The presence of which was known to a "responsible insured" prior to the "Policy Period"; and
- 2. Which is not listed in the Schedule of Insured Underground Storage Tanks, if applicable

L. Vehicles

"Pollution conditions" resulting from the use, maintenance or operation, including loading or unloading, of an automobile, aircraft, watercraft, or other conveyance beyond the boundaries of the "Covered Location(s)" This exclusion does not apply to Section I. Insuring Agreement D.

M. War or Hostile Acts

"Bodily injury" or "property damage" based upon, arising out of, or attributable to, whether directly or indirectly, any acts that involve, or that involve preparation for, "war" or "hostile acts" regardless of any other cause or event that contributes concurrently in any sequence to the injury or damage

VI. REPORTING AND COOPERATION

- A. The "insured" must see to it that the Insurer receives prompt written notice of any "claim" or "pollution condition" at the address specified in Item 8.a. of the Declarations. Notice should include reasonably detailed information as to:
1. The identity of the "insured";
 2. The "Covered Location";
 3. The nature of the "claim" or "pollution condition", and
 4. Any steps undertaken by the "insured" to respond to the "claim" or "pollution condition"
- In the event of a "pollution condition", the "insured" must also take all reasonable measures to provide immediate verbal notice to the Insurer
- B. The "insured" must:
1. Immediately send the Insurer copies of any demands, notices, summonses or legal papers received in connection with any "claim";
 2. Authorize the Insurer to obtain records and other information;
 3. Cooperate with the Insurer in the investigation, settlement or defense of the "claim";
 4. Assist the Insurer, upon the Insurer's request, in the enforcement of any right against any person or organization which may be liable to the "insured" because of injury or damage to which this Policy may also apply; and
 5. Provide the Insurer with such information and cooperate as it may reasonably require
- C. No "insured(s)" shall make or authorize an admission of liability or attempt to settle or otherwise dispose of any "claim" without the written consent of the Insurer. Nor shall the "insured" incur any "remediation costs" without the express prior written consent of the Insurer, except in the event of an "emergency response"
- D. Upon the discovery of a "pollution condition", the "insured" shall make every attempt to mitigate any loss and comply with applicable "environmental laws" and retain qualified contractors or consultants. The Insurer shall have an opportunity to participate in the selection, retention, and oversight of such contractors or consultants. The Insurer shall have the right, but not the duty, to mitigate such "pollution conditions" if, in the sole judgment of the Insurer, the "insured" fails to take reasonable steps to do so. Any "remediation costs" incurred by the Insurer shall be deemed incurred by the "insured", and shall be subject to the Self-Insured Retention and Limit of Liability listed in the Declarations

VII. EXTENDED REPORTING PERIOD

- A. The "Named Insured" shall be entitled to a basic "extended reporting period", and may purchase an optional supplemental "extended reporting period", following cancellation, as described in Paragraph A. of Section VIII. General Conditions, or nonrenewal.
- B. "Extended reporting periods" shall not reinstate or increase any of the Limits of Liability. "Extended reporting periods" shall not extend the "Policy Period" or change the scope of coverage provided. A "claim" first made and reported to us within the basic "extended reporting period" or supplemental "extended reporting period", whichever is applicable, will be deemed to have been made on the last day of the "Policy Period"
- C. Provided the "Named Insured" has not purchased any other insurance to replace this insurance, the "Named Insured" shall have a sixty (60) day basic "extended reporting period" without additional charge.
- D. The "Named Insured" shall be entitled to purchase a supplemental "extended reporting period" of up to thirty-four (34) months for not more than 200% of the full Policy Premium stated in Item 7. of the Declarations. Such supplemental "extended reporting period" starts when the basic "extended reporting period" ends. The Insurer will issue an endorsement providing a supplemental "extended reporting period" provided that the "Named Insured":

1. Makes a written request, to the address shown in Item 8.b. of the Declarations, for such endorsement which the Insurer receives prior to the expiration of the "Policy Period"; and
2. Pays the additional Premium when due. If that additional Premium is paid when due, the supplemental "extended reporting period" may not be cancelled, provided that all other terms and conditions of the Policy are met

VIII. GENERAL CONDITIONS

A. Cancellation

1. This Policy may be cancelled by the "Named Insured" by mailing to the Insurer, or through the "insured's" agent, at the address listed in Item 8.b. of the Declarations, written notice stating when such cancellation shall be effective.
2. This Policy may be cancelled by the Insurer for the following reasons:
 - a. Non-payment of Premium;
 - b. Fraud or misrepresentation on the part of the "insured", such as can be proven in a court of law;
 - c. Material change in use of the "Covered Locations" from the use contemplated in the Application and supporting materials which results in a materially increased likelihood of "claims" or "pollution conditions",
 by mailing to the "Named Insured" at the "Named Insured's" last known address, written notice stating when not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the Premium such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the "Policy Period".

The Policy Premium shall be 100% minimum earned as of the first day of the "Policy Period"

B. Inspection and Audit

To the extent of the "insured's" ability to provide such access, and with reasonable notice to the "insured", the Insurer shall be permitted, but not obligated, to inspect and sample the "Covered Locations". The "insured" shall have the concurrent right to collect split samples. Neither the Insurer's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the "insured" or others, to determine or warrant that such property or operations are safe or in compliance with "environmental law", or any other law.

The Insurer may examine and audit the "insured's" books and records during this "Policy Period" and extensions thereof and within three (3) years after the final termination of this Policy.

C. Legal Action Against the Insurer

No person or organization has a right under this Policy:

1. To join the Insurer as a party or otherwise bring the Insurer into a suit against any "insured", or
2. To sue the Insurer in connection with this insurance unless all of the Policy terms have been fully complied with.

A person or organization may sue the Insurer to recover after an agreed settlement or on a final judgment against an "insured". However, the Insurer will not be liable for amounts that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by the Insurer, the "insured" and the claimant or the claimant's legal representative.

D. Bankruptcy

Bankruptcy or insolvency of the "insured" or of the "insured's" estate shall not relieve the Insurer of any of its obligations hereunder.

E. Subrogation

In the event of any payment under this Policy by the Insurer, the Insurer shall be subrogated to all of the rights of recovery against any person or organization, and the "insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The "insured" shall do nothing to prejudice such rights.

F. Representations

By accepting this Policy, each "insured" agrees that:

1. The statements in the Declarations, Schedules, and Application for this Policy are accurate and complete.
2. Those statements are based upon representations the "insured" made to the Insurer.
3. This Policy has been issued in reliance upon the "insured's" representations.

G. Severability

Except with respect to the Limits of Liability listed in the Declarations, this Policy applies.

1. As if each "insured" were the only "insured",
2. Separately to each "insured" against whom a "claim" is made.

H. Other Insurance

If other valid and collectible insurance is available to the "insured" covering a loss also covered by this Policy, other than a policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance.

I. Sole Agent

The "Named Insured" shown in Item 1. of the Declarations shall serve as the sole agent of the "insured(s)" with respect to the return or payment of any Premiums or retained amounts, as well as for any notices required by this Policy.

J. Jurisdiction and Venue

It is agreed that in the event of the failure of the Insurer to pay any amount claimed to be due hereunder, the Insurer and the "insured" will submit to the jurisdiction of the State of New York and will comply with all requirements necessary to give such court jurisdiction. Nothing in this clause constitutes or should be understood to constitute a waiver of the Insurer's right to remove an action to a United States District Court.

K. Choice of Law

All matters arising hereunder including questions relating to the validity, interpretation, performance, and enforcement of this Policy shall be determined in accordance with the law and practices of the State of New York.

L. Changes and Assignment

Notice to or knowledge possessed by any person shall not effect waiver or change in any part of this Policy or estop the Insurer from asserting any right under the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, and no assignment of any interest under this Policy shall bind the Insurer, except as provided by endorsement and attached to this Policy, signed by the Insurer or its authorized representative.

M. Headings

The descriptions in the headings and sub-headings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

**SCHEDULE OF KNOWN CONDITIONS
ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 001
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer agree that the known condition(s) listed in the Schedule of Known Conditions and/or described in the documents shown in the Schedule of Documents below have been disclosed to the Insurer prior to the inception of this policy:

SCHEDULE OF KNOWN CONDITIONS:

SCHEDULE OF DOCUMENTS:

All documents listed on the PLL Insurance Applications Document Index as on file with underwriter

All other terms and conditions of the policy remain unchanged

Authorized Signature

**BUSINESS INTERRUPTION AND DELAY EXPENSE COVERAGE
ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 002
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer agree to the following Policy change(s):

- I. The Insurer will pay for actual "business interruption loss" incurred by the "insured" during a "period of interruption" resulting from the discovery of a "pollution condition" to which this insurance applies, provided that:
 - A. The "business interruption loss" is directly attributable to a "pollution condition" covered under this Policy; and
 - B. The "business interruption loss" is reported to the Insurer, in writing, as soon as practicable, and during the "Policy Period"
- II. The amount the Insurer will pay for "business interruption loss" is limited by the following Sublimit of Liability and Deductible Period:

Sublimit of Liability: \$5,000,000

Deductible Period: 10 days

(Applicable to all "business interruption loss" arising from the same, continuous, repeated, or related "pollution condition")

The Sublimit of Liability identified above will also apply to erode the Per Claim, Remediation Cost, or Legal Defense Expense Limit and the All Claims, Remediation Costs, or Legal Defense Expense Limit shown in the Declarations. At no time shall the Insurer be required to pay an amount in excess of the limit of insurance shown in the Declarations.

The "insured" shall pay all "business interruption loss" incurred during the Deductible Period.

- III. The following definitions are hereby added to the Definitions section of the Policy:
 - A. "Business income" means:
 1. Net profit or loss, before income taxes, including "rental income" from tenants, that would have been realized had there been no "business interruption";
 2. The "insured's" continuing operating and payroll expense (excluding payroll expense of officers, executives, department managers and contract employees);
 3. Costs incurred by the "insured" as rent for temporary premises when a portion of a "covered location" becomes untenable due to covered "pollution conditions" and temporary premises are required to continue the "insured's" operations. Such rental costs cannot exceed the fair rental value of the untenable portion of the "covered location".
 - B. "Business interruption" means necessary partial or complete suspension of the "insured's" operations at a "covered location" arising from a "pollution condition" covered under this Policy.

C. "Business interruption loss" means:

1. "Business income";
2. "Extra expense; and
3. "Delay expense"

D. "Delay expense" means for a "covered location" under development, where "pollution conditions" covered under this Policy cause a delay in the completion of development, any of the following expenses incurred shall be afforded coverage:

1. Additional interest on money the "insured" has borrowed to finance the construction, development, or remediation of a project at a "covered location";
2. Additional realty taxes and other assessments;
3. Additional advertising or promotional expense;
4. Additional expense(s) incurred resulting from the renegotiation of leases, including associated usual and customary legal representation expense; and
5. Additional engineering, architectural, and consulting fees

E. "Extra expense" means costs incurred by the "insured", due to a "pollution condition" covered under this Policy, that are necessary to avoid or mitigate any "business interruption". Such costs must be incurred to actually minimize the amount of "business income" that would otherwise be incurred and covered under this endorsement

F. "Period of interruption" means the length of time commencing with the date that operations are necessarily suspended at a "covered location" as a result of "pollution conditions"

G. "Rental income" means the total anticipated rental fees owed to the "insured" from tenant occupancy due to the "suspension" of a "Covered Location".

H. "Suspension" means that part of or all of a rented "Covered Location" is rendered untenable for the purposes identified to the Insurer at the inception of the Policy, due to "pollution conditions"

IV. The following Conditions and Limitations

A. If such "business interruption" delays the start of the "insured's" operations, the "period of interruption" will begin on the date the operations would have begun if the "pollution condition" had not resulted in "business interruption"

B. The "period of interruption" will end on the date that the subject "pollution condition" has been remedied to the point at which the "insured's" normal operations could reasonably be restored. Coverage will not be afforded for "pollution conditions" resulting in loss of "business income" as a result of unfavorable business conditions caused by the impact of the "pollution condition"

C. If the Insurer and the "insured" disagree on the amount of "business income" or any other amount that is or may be covered under this endorsement, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. If necessary, the two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of "business income" or any other amount. If they fail to agree to a resolution, they will submit their differences to the umpire. A decision agreed to by the appraisers, of the umpire, if necessary, will be binding upon both parties. Each party will:

1. Pay its chosen appraiser, and
2. Bear the other expenses of the appraisal and umpire equally

If there is an appraisal, the Insurer will still retain all of its rights under the policy to deny all or a portion of the claim

All other terms and conditions of the policy remain unchanged

Authorized Agent

**AGGREGATED SELF-INSURED RETENTION
ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 003
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Item 6 Self-Insured Retention of the Declarations is deleted in its entirety and replaced with the following:

The Self-Insured Retention(s) applicable to this policy shall be as follows:

- I \$250,000 each "Pollution Condition"; and
- II An Aggregate Self-Insured Retention in the amount of \$1,000,000 for all "Pollution Conditions"
- III When the Aggregate in Self Insured Retention Amount identified in Item II above is exhausted, the Self Insured Retention applicable to each and every additional "Pollution Condition" shall be \$50,000

The Self-Insured Retention(s), shown in Item I above,, shall apply to all "claim(s)", "remediation cost(s)", and "legal defense expense(s)" arising from the same, continuous, repeated, or related "Pollution Condition"

All other terms and conditions of the policy remain unchanged

Authorized Agent

ADDITIONAL INSURED(S) ENDORSEMENT

Named Insured Industrial Container Services, LLC			Endorsement Number 004
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer, agree to the following Policy change(s).

The person or organization listed below shall be considered an additional "insured" under this Policy, but only with respect to liability arising out of the ownership, operation, maintenance or use of the "covered location(s)" shown in the Schedule of Covered Locations on the Declarations of the Policy, or any other "covered location(s)" added to the Policy by endorsement.

Additional Insured(s)

Union Bank of California, N A It's Successors and/or
Assigns, As Agent P O Box 30115, Los Angeles, CA 90030-0115

3M P O Box 33121, St. Paul, MN 55133-3121

Eastern Chemical Joanna Horne 100 N. Eastman Road, Bldg 75
Kingsport, TN 37662

Nalco 1601 Diehl Road, Naperville, IL 60583-1198

All other terms and conditions of the policy remain unchanged

Authorized Agent

**SCHEDULE OF
NON-OWNED DISPOSAL SITE(S)
ENDORSEMENT II**

Named Insured Industrial Container Services, LLC			Endorsement Number 005
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

- I The "insured" and the Insurer agree that this policy applies to the following location(s) shown in the Schedule of "Non-Owned Disposal Site(s)" listed below, subject to the following Retroactive Date(s).

SCHEDULE OF NONOWNED DISPOSAL SITE(S)

LOCATION(S):	RETROACTIVE DATE(S):

- II The "insured" and the Insurer further agree that coverage afforded under this endorsement shall be subject to a sublimit of liability in the amount of \$5,000,000 in the aggregate

All other terms and conditions of this policy remain unchanged

Authorized Signature

**COVERAGE LIMITATION & RE-OPENER OF COVERAGE
POLLUTION CONDITION SPECIFIC
ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 006
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer, agree to the following Policy change(s):

I. COVERAGE LIMITATIONS:

Solely with respect to Coverage B, including any associated "legal defense expense(s)" under Coverage F, of the Policy, coverage is not afforded with respect to the "pollution condition(s)" at 2819 Industrial Avenue, Charleston, SC listed in Paragraph III. below.

II. RE-OPENER OF COVERAGE:

In the event that "closure" is achieved for the "pollution condition(s)" listed below, the Coverage Limitations identified in Paragraph I. above may be deleted with respect to those "pollution condition(s)" that achieve closure. The Coverage Limitations identified in Paragraph I. above can only be deleted by an Endorsement to this Policy, issued by the Insurer.

For the purposes of this Endorsement, "closure" shall mean that the "insured" obtains a written "no further action" letter, or the equivalent, from the appropriate regulatory body governing the remediation of the subject "pollution condition(s)".

III. POLLUTION CONDITION(S):

- A. "Pollution conditions" known or discovered in accordance with or pursuant to the Final Consent Order 03-015A and 03-01HW between the South Carolina Department of Health and Environmental Control and Moore Drums dated February 6, 2003 and executed on March 10, 2003
- B. "Pollution conditions" known or discovered in accordance with or pursuant to the approved RCRA Corrective Action Program established in 1996
- C. "Pollution conditions" related to the historic onsite landfill operations as described in Section 5.9 of the Phase I Environmental Site Assessment, prepared by Stillwater Technologies Inc., dated August 16, 2002

All other terms and conditions of the policy remain unchanged

Authorized Agent

**EARNED PREMIUM
ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 007
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The Insurer and the "insured" agree to the following policy change(s).

Section VIII. GENERAL CONDITIONS, Item A. Cancellation, paragraph 2 is deleted in its entirety and replaced with the following:

2. This Policy may be cancelled by the Insurer for the following reasons.
 - a. Non-payment of Premium;
 - b. Fraud or misrepresentation on the part of the "insured", such as can be proven in a court of law,
 - c. Material change in use of the "Covered Locations" from the use contemplated in the Application and supporting materials which results in a materially increased likelihood of "claims" or "pollution conditions",

by mailing to the "Named Insured" at the "Named Insured's" last known address, written notice stating when not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the Premium such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the "Policy Period"

The Policy Premium amount as shown on the Declarations to this Policy shall be 25% minimum earned at policy inception and 100% minimum earned upon on February 22, 2006

All other terms and conditions of the policy remain unchanged

Authorized Agent

**ENVIRONMENTAL LAWS AMENDATORY
ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 008
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following Policy change(s).

Section IV E. of the Policy is hereby deleted in its entirety and replaced with the following:

- E. "Environmental laws" means any federal, state, provincial, municipal or other local laws, statutes, ordinances, regulations, and all amendments thereto, including risk-based corrective action guidance, governing the liability of the "insured" with respect to "pollution conditions"

All other terms and conditions of the policy remain unchanged

Authorized Representative

MATERIAL CHANGE IN USE EXCLUSION ENDORSEMENT

Named Insured Industrial Container Services, LLC			Endorsement Number 009
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer, agree to the following Policy change(s).

I. Section VIII A "Cancellation" is hereby deleted in its entirety and replaced with the following:

A. Cancellation

1. This Policy may be cancelled by the "Named Insured" by mailing to the Insurer, or through the "insured's" agent, at the address listed in Item 8.b. of the Declarations, written notice stating when such cancellation shall be effective
2. This Policy may be cancelled by the Insurer for the following reasons:

- a. Non-payment of Premium;
- b. Fraud or misrepresentation on the part of the "insured", such as can be proven in a court of law,

by mailing to the "Named Insured" at the "Named Insured's" last known address, written notice stating when not less than sixty (60) days thereafter, fifteen (15) days if cancellation is for non-payment of any unpaid portion of the Premium such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice shall be the end of the "Policy Period"

The Policy Premium shall be 100% minimum earned as of the first day of the "Policy Period"

II. Section V Exclusions, is hereby amended by the addition of the following exclusion:

Material Change in Use

A Material change in use of a "Covered Location" during the "Policy Period", from the use contemplated at the inception date of this Policy, which results in a materially increased likelihood of "claims" or "pollution conditions". Any change of operations at a "Covered Location" that results in more stringent remediation standards than those imposed on the "Covered Location" as of the inception of this Policy shall be considered material

All other terms and conditions of the policy remain unchanged

Authorized Agent

**MODIFIED DEFINITION OF COVERED LOCATIONS – AUTOMATIC ACQUISITION
COVERAGE ENDORSEMENT**

Named Insured Industrial Container Services, LLC			Endorsement Number 010
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer, agree to the following Policy change(s):

Section IV., Definitions, Subsection C., "Covered Location", is hereby deleted in its entirety and replaced with the following:

C. "Covered Location" means:

1. Any location(s) specifically listed in Item 9. of the Declarations; and
2. Any location(s) specifically identified on the on the Schedule of Covered Locations Endorsement, if such endorsement is attached to this Policy; and
3. Any location(s) specifically identified on the on the Schedule of Additional Covered Locations Endorsement, if such endorsement is, or becomes, attached to this Policy; and
4. Any location which is first purchased or leased by the "Named Insured" during the "Policy Period", provided the "Named Insured" has purchased or leased such a location in compliance with the "Named Insured's" Environmental Due Diligence Standard Protocol, as on file and approved by the Insurer. With respect to coverage provided for such purchased or leased locations, the following shall apply:
 - a. A Retroactive Date of the execution date of the purchase agreement or lease applicable to the newly acquired property; and
 - b. Coverage shall not be afforded "remediation costs" or "claims" arising from or related to "fungi"; and
 - c. Coverage shall not be afforded for "remediation costs" or "claims" which are covered under any other Policy issued by the Insurer or any affiliated company
 - d. Coverage shall automatically terminate sixty (60) days after the execution of the purchase or lease agreement for the location, unless the "Named Insured" provides written notice of the execution of the purchase or lease agreement to the Insurer and provides the Insurer a properly completed and signed Premises Pollution Legal Liability Application and documentation supporting the conclusion that the purchase or lease was performed in compliance with the "Named Insured's" Environmental Due Diligence Standard Protocol

Upon receipt of the information required under item 4. d. above, the Insurer may request additional supporting documentation. Exercising its standard underwriting discretion, the Insurer may then elect to modify the terms of coverage, including removal or modification of the retroactive date, inclusion of

coverage for "Fungi", and charge of additional premium, or elect to cancel coverage for such locations. Any such modification shall be done by Endorsement to this Policy; however, any modification or cancellation of coverage shall not be effective until endorsed to the Policy.

All other terms and conditions of the policy remain unchanged.

Authorized Agent

MODIFIED TRANSPORTATION COVERAGE ENDORSEMENT

Named Insured Industrial Container Services, LLC			Endorsement Number 011
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer, hereby agree to the following:

- I Section IV "Definitions", Subsection U "Transportation", is hereby deleted in its entirety and replaced with the following.
 - U "Transportation" means the movement of the "insured's" waste or products by automobile, aircraft, watercraft, or other conveyance, by the "insured", beyond the boundaries of the "Covered Location(s)", until such time as the waste or product arrives at the boundaries of its final destination
- II The "insured" and the Insurer further agree that coverage afforded under this endorsement shall be subject to a sublimit of liability in the amount of \$5,000,000 in the aggregate

All other terms and conditions of the policy remain unchanged

Authorized Agent

**EXCEPTION TO WAR OR HOSTILE ACTS EXCLUSION
FOR CERTIFIED ACTS OF TERRORISM; CAP ON
LOSSES FROM CERTIFIED ACTS OF TERRORISM**

Named Insured Industrial Container Services, LLC			Endorsement Number 012
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

The "insured" and the Insurer, agree to the following Policy change(s):

- A. With respect to any exclusion of "Hostile Acts" in this Policy or attached to this Policy by endorsement, such exclusion does not apply to a "certified act of terrorism"
- B. That exclusion also does not apply to an act which meets the criteria set forth in subparagraph 2. below of the definition of "certified act of terrorism", when such act resulted in aggregate losses of \$5 million or less
- C. With respect to any one or more "certified acts of terrorism", we will not pay any amounts for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on our liability for payments for terrorism losses
- D. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism".
 - 1. The act resulted in aggregate losses in excess of \$5 million; and
 - 2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion

All other terms and conditions of the policy remain unchanged

Authorized Agent

**CONDITIONAL EXCLUSION OF TERRORISM ENDORSEMENT
(RELATING TO THE DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT OF 2002)**

Named Insured Industrial Container Services, LLC			Endorsement Number 013
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

The "insured" and the Insurer hereby agree to the following Policy Changes.

A Applicability Of The Provisions Of This Endorsement

- 1 The provisions of this endorsement will become applicable commencing on the date when any one or more of the following first occurs:
 - a The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act of 2002 ("TRIA"), has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b A renewal, extension or continuation of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses), or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy

The Program is scheduled to terminate at the end of December 31, 2005 unless renewed, extended or otherwise continued by the federal government

- 2 If the provisions of this endorsement become applicable, such provisions:
 - a Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable), and
 - b Remain applicable unless we notify you of changes in these provisions, in response to federal law

- 3 If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law
- B Subject to the applicability of Provision A above, any endorsement to this Policy that affords coverage for terrorism (however defined), "acts of terrorism" and/or "other acts of terrorism" under TRIA is deleted in its entirety
- C The War or Hostile Acts Exclusion of this Policy remains in full effect, regardless of any of the foregoing

All other terms, conditions and exclusions of this Policy remain unchanged

Authorized Representative

**DISCLOSURE OF PREMIUM AND ESTIMATED PREMIUM FOR
CERTIFIED ACTS OF TERRORISM INSURANCE COVERAGE
(PURSUANT TO THE TERRORISM RISK INSURANCE ACT OF 2002)**

Named Insured Industrial Container Services, LLC			Endorsement Number 014
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT is attached to and made part of this Policy in RESPONSE TO the disclosure requirements of the terrorism risk insurance act of 2002. This endorsement does not grant any coverage or change the terms and conditions of any coverage under This Policy.

Terrorism Premium (Certified Acts)

(A) Terrorism Premium through 12/31/05: **\$15,198**

(B) Estimated Terrorism Premium beyond 12/31/05: \$ (refer to Paragraph C. below)

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of the terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

C. Possibility Of Additional Or Return Premium

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act of 2002. The federal program established by the Act is scheduled to terminate at the end of 12/31/05 unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the estimated premium shown in (B) of the Schedule may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for verified acts of terrorism, terrorism, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. If this policy does not contain a Conditional Exclusion, coverage for certified acts of terrorism will continue. In either case, when disposition of the federal program is determined, we will recalculate the premium shown in (B) of the Schedule and will charge additional premium or refund excess premium, if indicated. If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

Authorized Agent

SERVICE OF SUIT ENDORSEMENT

Named Insured Industrial Container Services, LLC			Endorsement Number 015
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 2/22/2005 to 2/22/2010	Effective Date of Endorsement 2/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Information about service of "suits" upon us is given below. Service of process of "suits" against us may be made upon the following person, or another person we may designate:

Saverio Rocca, Assistant General Counsel
ACE USA Companies
Two Liberty Place - TL35M
1601 Chestnut Street
Philadelphia, PA 19103

The person named above is authorized and directed to accept service of process on our behalf in any action, "suit" or proceeding instituted against us. If you request, we will give you a written promise that a general appearance will be entered on our behalf if a "suit" is brought.

If you request, we will submit to the jurisdiction of any court of competent jurisdiction. We will accept the final decision of that court or any Appellate Court in the event of an appeal.

The law of some jurisdictions of the United States of America require that the Superintendent, Commissioner or Director of Insurance (or their successor in office) be designated as our agent for service of process. In these jurisdictions, we designate the Director of Insurance as our true and lawful attorney upon whom service of process on our behalf may be made. We also authorize the Director of Insurance to mail process received on our behalf to the company person named above.

If you are a resident of Canada, you may also serve "suit" upon us by serving the government official designated by the law of your province.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS ENDORSEMENT IS ATTACHED OTHER THAN AS ABOVE STATED.

Authorized Agent

SIGNATURE ENDORSEMENT

Named Insured Industrial Container Services, LLC			Endorsement Number 016
Policy Symbol PPL	Policy Number G22086492 001	Policy Period 02/22/2005 to 02/22/2010	Effective Date of Endorsement 02/22/2005
Issued By (Name of Insurance Company) Illinois Union Insurance Company			

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

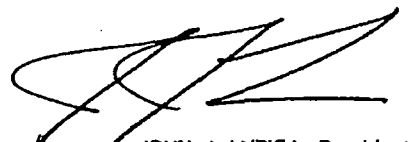
THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

ILLINOIS UNION INSURANCE COMPANY
525 W. Monroe Street, Suite 400, Chicago, Illinois 60661

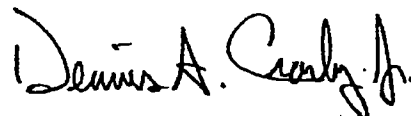
INA SURPLUS INSURANCE COMPANY
1601 Chestnut Street, P.O. Box 41484, Philadelphia, Pennsylvania 19101-1484


GEORGE D. MULLIGAN, Secretary


JOHN J. LUPICA, President

WESTCHESTER SURPLUS LINES INSURANCE COMPANY
500 Colonial Center Parkway, Suite 200, Roswell, GA 30076


GEORGE D. MULLIGAN, Secretary


DENNIS A. CROSBY, JR., President

Authorized Agent



ACE USA

- ☒ Illinois Union Insurance Company
☐ INA Surplus Insurance Company
☐ Westchester Surplus Lines Insurance Company
☐ _____

Insured:
Industrial Container Services, LLC

Attached To Policy No.: PPL G22086492 001

Effective Date: 02/22/2005

FLORIDA SURPLUS LINES NOTIFICATION

THIS INSURANCE IS ISSUED PURSUANT TO THE FLORIDA SURPLUS LINES LAW. PERSONS INSURED BY SURPLUS LINES CARRIERS DO NOT HAVE THE PROTECTION OF THE FLORIDA INSURANCE GUARANTY ACT TO THE EXTENT OF ANY RIGHT OF RECOVERY FOR THE OBLIGATION OF AN INSOLVENT UNLICENSED INSURER.

NOTHING HEREIN CONTAINED SHALL BE HELD TO VARY, ALTER, WAIVE OR EXTEND ANY OF THE TERMS, CONDITIONS, OR LIMITATIONS OF THE POLICY TO WHICH THIS NOTICE IS ATTACHED OTHER THAN AS STATED ABOVE